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FINANCIAL TIMES

No. 27,034 Friday July 30, 1976 ***10p

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NEWS SUMMARY

Min tops ash talks
Amin of Uganda has lashed against Britain's bid to break off diplomatic relations by declaring that talks compensation for British airlines nationalised were "total value" of investments there is put 50m.

to head w race body
Mr MP and former Home Minister is to be the first man of the Commission for Equality. Mr David Lane, 30, of Cambridge, will be paid 10 a year. The appointment will replace a commission will replace a Relations Board and the unity Relations Commis-

ti-IRA moves
anti-IRA measures were today by the Irish Govt at a Cabinet meeting to consider stepping up the counter-subver-

w government
Minister-designate, Sir G. Andrews, yesterday told Italian President, Sir, that he was in mission to form a Government.

iley plea
Lords will start hearing the last ditch appeal by Fred Mulley, Education Secretary, in his attempt to stop Conservative Council at side, Greater Manchester, cancelling its Labour pre-

ger prizes
is to start paying out 90 prizes to the winners, most instead of £75,000, reputation of £50 prizes will be reduced. From late date bonds will be sold in multiples of 25.

denial
millionaire financier, Sir Goldsmith, denied yesterday he was trying to smash the magazine Private bringing his private prosecution for criminal libel. Page 21

0,000 for PM
ary of £30,000 a year for Prime Minister heads a list of 100,000, increases recommended by the Review Body on salaries in the first examination of Ministerial pay since 1972.

fly ...
nces of up to 16 million BBC 1, coverage of the six days of the Olympics.

MP Eric Ogden was re-
Liverpool charged with being a pensioner.

ron in fare in England and
on March 21, 1975, tallied a White Paper presented of Lord Feather will be led at Kettering, North-

on ship's captain was fined
e Selby, Yorks, for break-

ed by two milkmen is
ed to be on the loose in ten, Notts.

BUSINESS
Equities fall 3.8; goldmines down 9.8

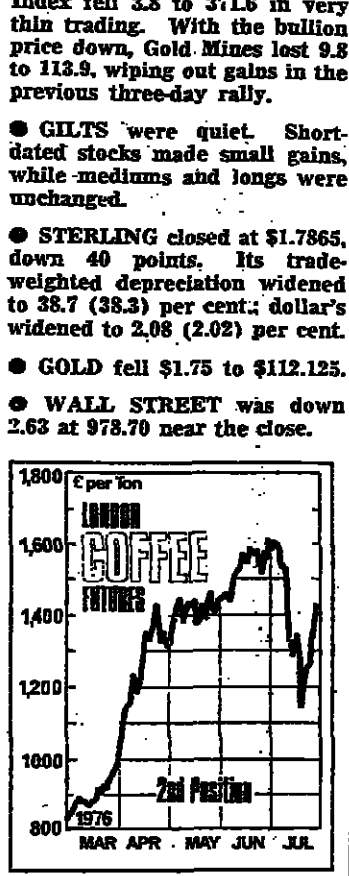
● **EQUITIES** were unsettled by the poor response to the Borthwick issue. The FT 30-Share index fell 3.8 to 371.5 in very thin trading. With the bullion price down, Gold Mines lost 9.8 to 113.9, wiping out gains in the previous three-day rally.

● **GILTS** were quiet. Short-dated stocks made small gains, while medium and long were unchanged.

● **STERLING** closed at \$1.7865, down 40 points. Its trade-weighted depreciation widened to 38.7 (38.3) per cent; dollar's widened to 2.06 (2.02) per cent.

● **GOLD** fell \$1.75 to \$112.125.

● **WALL STREET** was down 2.63 at 973.70 near the close.



● **COFFEE** prices continued to rise in London, the September position gaining \$70.5 to \$1,433.5 a tonne.

● **BREAD** is likely to cost up a loaf more on August 3, partly because the subsidy is being cut. Back Page

Civil Service will lose 46,000 posts in 3 years

BY DAVID CHURCHILL, LABOUR STAFF

The Government yesterday announced the first stage of its long-awaited cuts in the Civil Service which will mean a loss of 46,000 posts over the next three years.

Another 9,000 posts are expected to be phased out after further discussions between the Civil Service unions and the Department. The bulk of these savings will be met by employing fewer staff than anticipated over the next three years as well as by voluntary redundancies and early retirements. Few actual redundancies are expected although details of these have still to be decided.

As a result of this first stage of cuts the Government will save £96m, which is still £45m below the original target of £140m, announced in the February White Paper on public expenditure cuts.

Defence

The main brunt of the cuts will be felt in the Ministry of Defence whose establishment will be reduced by 20,000. Areas likely to be affected include RAF bases at Aldergrove, Sydenham and Andover in Northern Ireland, the Royal Navy's provisioning base at Chatham, Kent, and research and development staff at Portsmouth in Dorset.

The other major Departments which will be involved include the Inland Revenue, where some 5,000 jobs will be saved mainly due to tax changes announced in the last Budget and employing less staff to deal with the workload.

Another 5,000 staff savings are due at the Department of Health and Social Security where home visits to old age pensioners and the disabled will be drastically reduced as well as the number

Borthwick share issue flops

BY KEITH LEWIS

THE NEW issue market suffered a fresh blow yesterday following the news that the underwriters had to take up 98.4 per cent of the £12m offer for sale from most traders Thomas Borthwick. Only 414 applications were received for 241,700 shares out of a total of 15m.

Weaker

The reception given to recent flotations has grown steadily weaker. Hambro & Co., the first major new issue on the London Stock Exchange for three years, was oversubscribed by 43 per cent. But when dealings opened on Tuesday the shares fell to an immediate discount and finally closed at 220p, against the offer price of 235p. The shares have lost a further 10p overall in the last two days.

Molins, the tobacco machinery group, which was the second £10m issue in a week, was only 23 per cent subscribed this week. Dealings are expected to start this morning.

Considering the quality of all three issues, there can be little doubt that this is likely to be a discouraging influence on any other companies seeking a quotation. Save and Prosper, the unit trust group, has already said that it is now unlikely to make a decision regarding a flotation until "very much later in the year."

The Department of Environment is to lose some 6,700 posts — of which 1,000 will be related to maintenance of Government buildings — and the overall effect will be to increase time taken for handling planning and transport matters.

Some 3,000 jobs will also be saved in the Department of Employment, which will mean deferring or restricting parts of the Employment Protection Act and reducing staff involved with careers work and race relations. Editorial Comment, Page 14

'Great loss of life' in China earthquake

BY OUR FOREIGN STAFF

MANY THOUSANDS of people are believed to have been killed in the earthquake that devastated North-east China on Wednesday, according to sources in Peking. In an unusually frank statement distributed by the New China News Agency yesterday, the Chinese Communist Party disclosed that the earthquake — the worst since the tremor that shook Alaska 12 years ago — had caused "great losses to people's lives and property."

Tangshan, an industrial city only 100 miles east of Peking and near the epicentre of the earthquake, was reported in total ruin. Diplomatic sources said that only a relatively small portion of the city's 1m. people could have escaped injury or death.

Six Japanese survivors, technicians with the Hitachi Company, who were dug from the ruins of their Tangshan hotel, confirmed other eye-witness accounts that the city had been reduced to rubble. Many coal miners in the area are also feared buried deep below ground.

In Peking, an estimated 50 people were killed and hospitals were spilling over with victims. One minor tremor was felt early yesterday morning in the capital, where the population of 8m. were preparing to spend a second night on the streets.

The population has taken refuge under shelters improvised with bits of string, bamboo poles, multi-coloured plastic sheets and fallen rubble. They have collected what meagre possessions they have — tablecloths, pot plants, teapots, water bottles, iron frame beds, deck chairs, tiny stools, wash basins and bicycles. And, in spite of the heat wave that has followed the torrential rain, they have remained huddled inside their makeshift dwellings.

Reports from Tientsin, China's third largest city, were sketchy. Many buildings and homes were flattened and Chinese officials told Australia's former U.S. Minister, Mr. Gough Whitlam, before he left China on Wednesday that people had been killed. Mr. Whitlam was in Tientsin at the time of the earthquake and the U.S. is understood to have been harder hit than Peking.

There were no reports from the many smaller towns in the earthquake area, one of the most densely populated in China. There were also no reports from rural areas. According to the Japanese sources, a number of aftershocks also jolted stricken areas.

While authorities in Peking considered an offer of U.S. assistance, Chinese military units and medical aid teams yesterday moved into stricken areas around the epicentre. The U.S. offer was made by Ambassador Thomas Gates, chief of the U.S. liaison office in Peking. It was reinforced by a White House announcement in Washington.

In London, Mr. Ted Rowlands, Minister of State at the Foreign Office, told the House of Commons that the U.K. had asked the Peking government if it needed help. In the past, China has not accepted such offers.

And a message by the Chinese Central committee indicated that no foreign assistance would be accepted.

According to the Tass news agency, a strong earthquake also hit the North Caucasus region of the Soviet Union on Wednesday night. Tass said the earthquake reached a force of six on the 12-point Soviet scale in the towns of Grozny and Bunkarsk, west of the Caspian Sea. Tass reported no casualties or damage.

A Force Six earthquake is officially described as strong and capable of causing light damage to buildings.

Keen response expected for offshore oil licences

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT expects a keen oil industry response to the next round of offshore licences, details of which were announced yesterday.

The Fifth Round of licences, due to be awarded at the end of the year, marks a new phase in the exploration programme. For the first time the State-owned British National Oil Corporation will have a majority stake in each licence from the outset. The proposed allocation will be more limited than previous rounds, the forerunner of small but more frequent reviews. The Sixth Round licences may be announced late next year.

Testing cost

The latest batch covers 71 blocks or part blocks, spread thinly round British shores. Mr. Anthony Wedgwood Benn, the Energy Secretary, said his discussions with oil companies had shown "intense interest" in the round. Exploration arising from the new licences would give a six to eight per cent increase in the final product rather than the 2-4 per cent of oil strikes a year. There have been 10 discoveries this year.

Companies will be invited to apply for new licences between mid-August and October 5. Mr. Wedgwood Benn indicated that Fifth Round prospects were encouraging companies which might be seeking licences to discuss State participation in existing fields.

The areas to be licensed contain few surprises for the industry, though four earmarked concessions in the central English Channel area have raised concern about shipping hazards. Two of these blocks, 98/22 and 98/25, lie about 20 miles to the west of the busiest shipping channels in the world.

As expected, the Government has included a number of English Channel and Western Approaches blocks, designated earlier this week, in the Fifth Round. It was felt in the industry last night that some of these blocks, in quadrant 83 and 84, might lie on the edge of a promising sedimentary basin.

Most of the oil industry's attention will be focussed on new acreage being offered in the Moray Firth area, where the Occidental Group is developing the Piper and Claymore Fields. No fewer than 15 blocks are offered.

The expense and time of testing new finds has raised questions about the British National Oil Corporation's ability to fund 51 per cent stake in all the licences, and the stricter relinquishment conditions in the Fifth Round. Oil companies have told the Government they fear that under the new relinquish-

ment arrangements they may be forced to hand back productive acreage. Mr. Wedgwood Benn said the licences would be structured to overcome this concern.

Two other areas may also attract general industry interest: blocks close to the U.K.-Norwegian median line, where a string of relinquished and unallocated part blocks are being offered; and two complete blocks next to British Petroleum's northerly Magnus Field.

Four blocks south-west of the Hebrides are included in the Fifth Round to extend industry knowledge in this new deep water area, while allocations in the Irish and Celtic Seas are thought by some analysts to be of little interest outside the British Gas Corporation.

British Gas has already found a gas field off Blackpool.

Union rights

Pressure from the TUC and the Aberdeen Harbour committee has resulted in the Government confirming a condition that has not appeared in previous licensing rounds. Applicants are to grant "reasonable access" to workers on rigs. The Government is to negotiate a "memorandum of understanding" on union recognition. North Sea Oil Review Page 21

Rothmans cuts top brand prices

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

IN THE most aggressive move yet in the king-size cigarette price war which has followed the April Budget, Carreras Rothmans announced yesterday it is to cut prices of its best-selling brands between 2p and 5p a packet.

This is bound to provoke fierce competition among major manufacturers. It was estimated last night that if other brands followed Rothmans, smokers would save about £12m a year. The battle began because of the U.K. commitment to come into line with Common Market tobacco tax policies. This involves putting a tax on the value of the final product rather than on the weight of the tobacco, the traditional British system.

The change, not due to operate fully until January 1978, will in effect make the smaller cigarettes dearer and the bigger ones relatively cheaper.

Some people in the trade estimate that, as a result, king-size sales could rise to one-third of the total. But Carreras is looking for a more conservative 20 per cent.

Carreras is the smallest U.K. cigarette company with about 7 per cent of the market but it has established leadership in the king-size sector. Its latest move is designed not only to keep the company ahead but to boost total sales of the bigger cigarettes.

The brands which will be reduced on August 2 — including the market leader Rothmans King Size — account for 22 per cent of all king-size cigarettes sold in the U.K.

It will put intense pressure on Imperial Tobacco which dominates the business and has a 67 per cent total market share achieved mainly through smaller brands such as Players No. 6 and Embassy.

Imperial made its major effort to get a better share of the king-size business just after the Budget when it launched John Player King Size in what the trade believes was the most expensive launch ever.

It is believed Imperial actually has a price increase proposal with the Price Commission at the moment. And it was clear last night that in the City here was some concern about what an all-out price war might do to profits.

The question is whether Imperial, with its much bigger volume than Carreras, can afford to make the same kind of across-the-board reductions.

Both Imperial and Gallaher, which has a 22 per cent share of the cigarette market, do not have the same scale of export business that Carreras (part of Rothmans International) can rely on when U.K. margins are under pressure.

To obtain the maximum immediate advantage from its move, Carreras is handing back to retailers £100,000 to enable them to cut their prices next Monday rather than wait for new supplies.

The company is also launching what it describes as "probably the cigarette industry's biggest single advertising campaign" featuring Sir David Nicholson, its chairman and giving a "personal guarantee" that the quality of the cigarettes is not being altered.

EF PRICE CHANGES YESTERDAY
us in pence unless otherwise indicated

RISES		
Metal	280	+8
Exr.	117	+11
Gold	324	+4
Oil	30	+3
Hunter	30	+3
Oil and Gas	180	+7
Wallend	380	+10
FALLS		
Es Bank	270	-5
Es Bank	263	-5
Es Bank	362	-6
Es Bank	33	-3
Es Bank	243	-6
Es Bank	347	-10
Es Bank	210	-4
Es Bank	183	-3
Es Bank	420	-6

Hickson and Welch	338	-7
Imry Prop.	187	-6
Johnson, Matthey	337	-10
Alk Refrigeration	189	-3
Manbray and Cartmell	258	-7
Midland Bank	33	-5
OK Bazars	390	-15
Ocean Wilsons	138	-7
Prestige	125	-7
Standard Chartered	383	-6
Thames Oil	388	-6
Weyburn Eng.	358	-8
Yorkshire Chems	118	-6
BP	580	-5
Tricontrol	85	-13
Anglo American Crp.	225	-30
Es Bank	353	-40
De Beers Ltd.	204	-8
Durban Deep	285	-43
East Driefontein	500	-60
Gold Fields SA	1191	-1
West Driefontein	1181	-1

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LOMBARD

Subsidising the 'middle class'

BY ANTHONY HARRIS

SIR RICHARD MARSH'S spirited counter-attack against a putative transport policy put forward by the Department of Environment deserves closer consideration than it is likely to get. Railways are out of fashion. Trendy young economists see them as a sign of a toy-train fixation, geographers want the tracks for buses and trucks. Free-market enthusiasts condemn them for making a loss. Socialists increasingly seem to think that only the middle classes ride on trains.

A rather mean-spirited doctrine which seems to have been launched in a Cabinet note by Mr. Anthony Crosland holds that any subsidy which helps the middle class is by nature anti-social. There seems small hope, then, that a future Government of either party will help the railways—and especially the commuter services. After all, if you stand at the ticket barriers, you can see a statistically significant number of chaps in bowler hats.

However, there are some truths which deserve to be restated even if they are unfashionable. It may be of course, that some secret memorandum in the DOE has already embraced the whole doctrine of Professor Peter Hall, and decided that the railways should be converted into bus tracks as soon as public expenditure constraints allow. That might, admittedly, involve a very long period of run-down indeed, but it would still basically make sense to allow the railways to rot.

Here to stay

Once one assumes that the railways are to be kept running for the foreseeable future, however, the economic arguments change radically: for given the long-term existence of a railway system, there is a case for subsidising it—a piece of basic analysis which goes back well over 100 years. It is simply that where an industry is operating with declining marginal costs—where the cost of carrying an extra passenger falls as traffic increases—then a subsidy will give a greater benefit to the traveller than its cost to the taxpayer. If we assume, for the sake of argument, that a subsidy averaging £1 a week for each traveller would attract enough extra traffic to enable the railways to cut the cost of a weekly ticket by £2, the £1 difference is a pure social gain—even if some of the beneficiaries are middle class. The DOE has, in effect, proposed to concentrate some of the cuts in public expenditure on one of the few areas where it may well be that the benefits of spending are greater than the costs.

TV Radio

†Indicates programme in black and white

BBC 1

9.45 a.m. The Adventures of Tintin 9.50 Jackanory. 10.05 Belle and Sebastian. 10.30 Roobarb. 10.55 Vision On. 12.30 p.m. Olympic Grandstand. 1.30 Camberwick Green. 1.45 News. 2.00 Olympic Grandstand. The Olympic Games and Racing from Goodwood. 4.25 Play School. 4.50 Screen Test. 5.15 Solly. 5.40 Barabappa.

5.45 News

6.00 Nationwide (London only)

6.15 Olympic Report

6.40 The Invisible Man

7.25 It's Childplay

8.00 Olympic Grandstand

9.05 News

9.30 Olympic Grandstand in South West (from Plymouth).

including 11.15 Late Night News Headlines

All Regions as BBC-1 except at the following times:

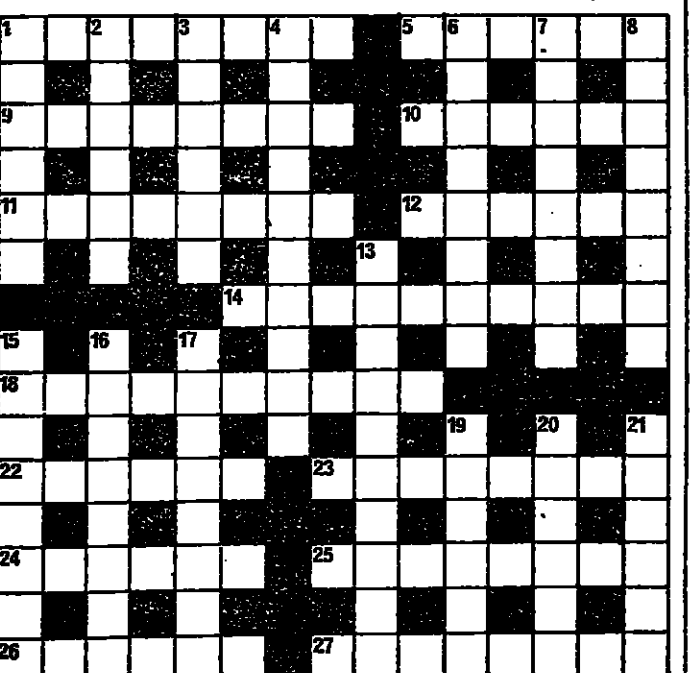
Wales—12.00-1.45 p.m. O Dan Y Mor. 5.15-5.40 Heddiw. 6.00-6.15 Wales Today. 6.40-7.00 Cader Idris. 7.00-7.25 Eisteddfoda. 11.15 Late Night News Headlines.

SCOTLAND—6.00-6.15 p.m. Reporting Scotland. 11.15 Late Night News Headlines.

NORTHERN IRELAND—6.00-6.15 p.m. Scene Around Six. 11.15 Late Night News Headlines.

ENGLAND—6.00-6.15 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands Today (from Birmingham). Look East (from Norwich). Points West (from Bristol). South Today (from Southampton). Spotlight (from South West (from Plymouth)).

F.T. CROSSWORD PUZZLE No. 3,144



- ACROSS**
- A vehicle bearing (8)
 - An observation about an Apostle (6)
 - Entering into conflict could be attractive (8)
 - Discontinuous and not calm at sea (6)
 - Instrument for gymnastic feat or wrestling hold (8)
 - Steer and take prisoner (6)
 - Male race producing inertness (10)
 - Crawling but it's strictly comparable (2, 3, 5)
 - Racial bachelors appearing in court action (10)
 - In a gasp I ran towards candidate (8)
 - Red Indian hooligan in Paris (6)
 - United claviates divided to grant one desire (4,4)
 - Dull receiver in arid setting (6)
 - Food's warm in picture (8)
- DOWN**
- A fold used by cricketers (6)
 - Get back to recover (6)
 - Eat in fun we hear (6)
 - The prod of a single stage in descent (10)
 - Oriental article—genuine and heavenly (8)
- SOLUTION TO PUZZLE No. 3,143**
1. ACROSSWORD
2. OBSERVATION
3. CONFLICT
4. DISCONTINUOUS
5. GYMNASTIC
6. STEER
7. MALE
8. CRAWLING
9. RACIAL
10. COURT
11. RED
12. UNITED
13. DULL
14. FOOD
15. DOWN
16. FOLD
17. GET
18. EAT
19. PROD
20. ORIENTAL
21. ACROSSWORD
22. OBSERVATION
23. CONFLICT
24. DISCONTINUOUS
25. GYMNASTIC
26. STEER
27. MALE

SPORT

Decathlon boy gets flyer

SUSSEX STUDENT Daley Thompson, just 17, made a thrilling start in the decathlon. The best all-round athlete in the world for his age, he clocked 10-79 seconds for 887 points in the 100-metres, first event in the gruelling 10-event competition.

Sheffield teacher Mike Corden, 26, pulled out less than an hour before the start with an injured Achilles tendon in his right foot, leaving Thompson—sent to Montreal to gain experience—Britain's only representative.

Thompson, who took up athletics only two years ago, looked sharp and eager as he turned in a powerful sprint, finishing just behind West German Gerd Grunemann, who led the 28-strong field after the opening event with 10-68 seconds for 890 points.

The Caveway boy was credited with 10-6 seconds, in an international decathlon in Copenhagen last month, but that was a hand-timed effort.

The American, Fred Samara, finished behind Thompson yesterday in 10-85 sec., and Samara has been credited in the past with a sprint time of 10-3.

Thompson went into the long jump, his other specialty, with a 38-point lead over Bruce Jenner, American holder of a world best score for the decathlon on hand times.

A flying start was just the flip needed by Thompson, a member of Essex Beagles, after hearing that he would be Britain's sole competitor.

The boy cleared 7-19 metres to beat best long jumper, but fourth overall, with only the three West Germans in front of him, after two of yesterday's five events. He had to slip down the list—but what a start!

Corden's injury came soon after achieving his best score, 7-750 points, in Copenhagen. Though he was not expected to get among the Olympic medals, it was hoped he might put the British record held by Peter Gabbett.

It was Corden's own decision, in the end, to call off his Olympic bid. "It is a nasty injury. We worked on it intensively over the past two weeks," said Bill Shillibeer, the British physiotherapist. "We all felt he should not compete, but we were ready to go down to the trackside and Anderson, of Sweden,

treat him in between events. We are glad now Mike has come to the right decision. It is a bad lesion and ought to be seen by a surgeon before Corden does anything more."

Bob Dalglish, the British athletics administrative officer, said: "Mike is naturally very upset that his Olympic hopes should be dashed so late in the day, and it is another blow for the team."

● Doug Parnham, a 23-year-old student from East Molesey, finished third behind the world's top two—Kajak—canoeists to qualify for the 1,000-metre semifinals in the regatta on Notre Dame Island.

He remained in the medal hunt by getting within 2-15 seconds of Olympic champion Aleksandr Shaparenko, of the Soviet Union, who won the heat in 2 mins. 5-12 sec. ahead of world champion Grzegorz Sledziwski, of Poland.

Parnham, who qualified for the 500-metre semifinals on Wednesday, produced a very sharp finishing burst yesterday to snatch the third qualifying berth from a tiring Berndt Andersson, of Sweden.

SALEROOM BY ANTONY THORNCROFT

Record turnover for 'big three'

THIS HAS been another very good year for the London art salerooms. The season basically ends this week for Sotheby's and Christie's and both companies have released figures showing big increases since last September—the start of their year—when the controversial 10 per cent buyers premium was introduced.

Sotheby's world-wide turnover was £98m, as against £81.3m in 1974-75 (the figures have been adjusted to take account of the devaluation of sterling and also exclude the buyers' premium).

Christie's managed a comparatively bigger increase, going up from £37.7m to £49.2m, a gain of 30 per cent.

Phillips, the third major saleroom, which decided not to charge buyers, obviously gained from its stand, boosting its turnover by 47 per cent from £10.7m to £15.7m.

All three companies produced record sales.

The salerooms have managed to boost turnover above the inflation rate, and the good results make nonsense of the claim by Sotheby's and Christie's that they needed the extra revenue from the buyers' premium to maintain profitability. On the other hand the higher turnover comes from fairly humble goods

—in London 77 per cent of all items sold for £200 or under.

While Sotheby's turnover was down in London, Christie's managed an appreciable increase from £24.5m to £33.3m, at the same time underlining the fact that it is not so dependent on overseas activities as its bigger competitor. Even so, sales abroad were up by almost 50 per cent, to £11.99m. Breaking down the categories, internationally sold Master sales were £4.2m, higher at £10.7m, and Impressionists rose from £2.8m to £4.7m. The top price of the season was the £1m for the Ducie Crucifixion on July 2.

Phillips, meanwhile, is very happy with its decision, not to add 10 per cent to the hammer price. Christopher Weston, its chairman, said yesterday: "There have been two main advantages. One is that the commission structure: better quality of items where the increased charges are more obvious in cash terms, and an increased number of buyers, especially from overseas." Every department reported a significant increase in business and the quality of items received.

Bonham's turnover went up from £4,108,532 to £4,982,832 for the year ending this month—a 21 per cent increase.

Foster can do it

WE MUST all hold our horses, suited to quick bursts, which Brendan Foster's immaculate work-out in the first round of the Montreal 5,000 metres—the stadium buzzing with an Olympic record run of 13:1.2.3 will be Quax, Dixon, and minutes 20.34 seconds—may herald a 5,000 metres silver medal or even a gold to set on his sideboard at Gateshead along with the bronze he won in the 10,000 metres. But it may not.

Three of the reasons why Foster's first-round win may prove deceptive are Lasse Viren, Dick Quax and Rod Dixon, to say the least, who are all in the race, as such as Knut Kvalheim, Paul Geis, Pekka Paavilainen and even Ian Stewart.

One thing is certain, today's final will in all probability be the race of the games—a battling, bruising affair in which Emiel Puttemans' world record of 13 minutes 13.00 seconds may be done in the air, and in which the healthiest and sanest of several of the 14 finalists may be strenuously endangered.

They have a date with each other and a date with the clock, and as the race begins to build, it is quite likely that the Canadians are rude, ignorant and discourteous, and they are responsible for the Games becoming a shambles.

If Stones can keep his mouth shut for a few minutes he ought to be a sure-fire thing for the gold medal. But it's an awful big mouth.

Racing

Trusted hard to beat

WITH Free State running England's champion three-year-old miler, Wollow, to a length in Wednesday's Sussex Stakes, it is hard to oppose the locally trained Trusted in this afternoon's Exeter Stakes (3.05) at Goodwood.

Three weeks ago at Newmarket, the Duchess of Norfolk's handsome Crespello colt got the better of Free State in a fine finish to the William Hill Silver Vase.

Trusted, a strong, rangy individual who has been improving all season, has made one appearance since Newmarket, where he made an 18 lbs weight allowance tell against his Seven Barrows rival.

Two weeks ago at Ayr, he responded gamely to vigorous urging by Ron Hutchinson to hold off Pagan Boy—to whom he was conceding 6 lbs—by half a length in the Joe Coral Handicap.

In what promises to be another good race for this event

76

MICHAEL THOMPSON-WOEL REPORTS FROM MONTREAL

He left the Games village two days after the opening ceremony because, he said, over-crowding at the training grounds was interfering with his routine. He was back to Long Beach University, California, for a week—to have a little privacy with his girl friend, he said. But he's back, and still talking.

Stones also had a few words to his Canadian hosts. "French Canadians are rude, ignorant and discourteous," and they are responsible for the Games becoming a shambles.

If Stones can keep his mouth shut for a few minutes he ought to be a sure-fire thing for the gold medal. But it's an awful big mouth.

Heat two, which included a brawl in the backstraight after which two runners were disqualified, was won by Belgium's Willy Polleunis in 13-45.24. Paavilainen, of Finland, a bit of a comedian who runs in funny hats, was second, and Britain's Ian Stewart, the Munich 5,000 metre bronze medalist, in 13-45.94.

Heat three was the toughest one. The pace was fast from the gun—1,000 metres in 2-38.62, 2,000 metres in 5-18.76—and had a last lap of 58 seconds. At the tape, eight men were inside the old Olympic mark of 13-36.4, headed by Viren, who was 13-36.4, followed by Quax, Norway's Kvalheim, and En Selik of the U.S.S.R.

This heat was run at such a radically different pace to the others that 10 of the 11 starters clocked their time in 13-45.24 or better.

Where does that leave Britain? Stewart's personal best is only 13-22.8, and that dates from 1970. He cannot be given a chance of a medal.

But Foster is different. He is 5 feet 10 inches, 10 to 10 lb, 28 years of age, and arrogant with it. He was fifth in the Olympic 5,000 metres in 1972, European 5,000-metre champion in 1974, and has a personal best at the distance of 13-14.8, the second fastest of the finalists.

Apparently recovered from the stomach complaint that sabotaged his chances of finishing closer to Viren in the 10,000 metres, he is renowned for his ability to inject sub-60-second laps into the 5,000 metres at critical stages. That is what he will have to do today to throw off the others.

It is all up to Foster. He could break the world record. He could win the gold medal. But he will have to dig deeper into his resources than he has ever dug before.

His three principal rivals are: Viren—personal best 13-15.4, 1,500 metres in 1972, European 5,000-metre champion in 1974, and has already run himself into the class of Kuts, Zatopek and Nurmi. No one knows what drives him forward. It cannot only be reindeer milk, the finest feeding and dietary attention in the world, and kilometre after kilometre of solitary training in the forests where he works. He is slight, bearded, modest. A win for Viren would bring the walls of the stadium down.

Quax—personal best 13-13.2 in Stockholm this month, two-thirds of a second off Puttemans' world mark. Born on New Year's Day, 1948. Despite a roller-coaster career, has the highest potential of any man in the field. Has the speed, the strength, and the mental toughness.

Dixon—Personal best 13-17.4. Vexatious and extroverted. Is known as hard to train—not

GOODWOOD

2.00—Bada's Brook
2.30—Louise Valliere
3.05—Trusted
3.25—Virginia Lad
4.05—Koyan
4.35—Amboise**
5.05—Derrigo

THIRSK

3.15—Indiania
3.45—Gartree Hill
4.15—Franklyn
4.45—Bequique

NEWMARKET

6.45—Colombade**
7.45—Bright Finish*
8.45—Admiral Kennels

sponsored by the Exchange Telegraph Company. I take Trusted to continue his winning run at the main expense of Great Idea, who is reported to have been working encouragingly with his stablemate Wollow, since he put up that disappointing display in Royal Ascot's King Edward VII Stakes.

Lester Piggott, who partners Great Idea, is aboard three other Henry Cecil runners here—Menzin, Devil's Dike and Ambrose.

Of this trio, the best bet is probably Ambrose, who recently followed up a same Roper victory by giving Funny Valentine 31 lbs and a half-length beating in the Darley Brewery Handicap at Pontefract.

At Newmarket's evening meeting, Luca Cumani's Colomnade, a good-looking bay filly who is quite closely related to Secretariat and Sir Gaylord, is suggested with confidence for the Bunbury Stakes (6.45); while Bright Finish is given an equally emphatic vote for the Running Gap Stakes an hour later.

DOMINIC WIGAN

STERLING INDUSTRIES LIMITED

RESULTS FOR THE YEAR ENDED 31st MARCH 1976

	1976	1975
Turnover	3,642,000	2,579,000
Group Trading Profit after taxation	212,000	122,000
Crewe Investments Ltd., Proportion of that Company's net profit attributable to the company	100,000	94,000
Preference Dividends	19,600	19,600
Ordinary Dividends totalling 700p per share (1975—5542p per share)	140,000	110,850
Earnings per Ordinary Share	1.46p	.982

The Annual General Meeting was held on 29th July. The Chairman's statement circulated with the Report and Accounts may be summarised as follows:

- A significant demand for products related to containerisation of cargo, added to a reasonably satisfactory increase in orders of more general nature, have increased turnover and, with improved efficiency, have resulted in a trading profit of £435,000 compared with £282,000 in the previous year.
- Ordinary dividend increased by permissible 10 per cent, at a cost of £11,085 and further increased by £18,065 (19.9p per share) to negative the application of the 'shortfall' provision applicable to 'close companies'.
- Encouraging start to the current year, although continuing increases in manufacturing costs are cause for concern.

CHAIRMAN'S ADDITIONAL REMARKS

- Order books of various trading subsidiaries continue generally in good state.
- Although too early for a firm prediction, indications are that the results of the current year will show some further improvement.
- The wish expressed that there could be a greater general acceptance of the proposition that shareholders and employees have a common interest in making worthwhile profits.

ATTWOOD GARAGES LIMITED

The Annual General Meeting of Attwood Garages Limited was held on July 22nd at Wolverhampton, Mr. H. R. Attwood (Chairman and Managing Director) presiding.

Group profit before taxation for the year ended 31st January, 1976 was £39,525 compared with £69,583 for the previous year.

The directors recommend a final dividend of 837p per share for the year ended 31st January, 1976, making a total of 1.45p per share which is the same as last year.

Your Board faces the future with confidence based upon the great improved range of vehicles available, and further reduction in group borrowings.

The report and accounts were adopted.

RADIO 1 247m

(15) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Simon Bates.

9.00 Today's Breakfast. 11.00 Dave Lee Travis with the Radio 1 Roadshow from Brighton. 12.30 a.m. Newsweek. 12.45 Paul McCartney. 1.00 David Hamilton (5). (also on VHF). 4.30 The Radio 1 Roadshow. 5.45 Newsweek. 6.00 Sam Costa (5). 6.15 John Peel (5). (also on VHF). 12.00-2.30 a.m. As Radio 2.

RADIO 2 1,300m and VHF

6.00 a.m. News Summary. 6.42 Col. Gary (5) including Dave Lee Travis. 6.55 Olympic Sports Desk. 7.00 Brian Matthews (5) including 6.57 Racing. 7.15 Double Sports Desk. 7.42 Brian Matthews. 8.00-11.30 p.m. News. 11.30-1.00 a.m. Olympic Sports Desk. 1.00 Good Lineup (VHF). 2.00 David Hamilton (5) as Radio 1, but including on 1300m only (also 247m) and 1300m from Goodwood and 2.45 and 3.45 Olympic Sports Desk. 4.30 Sam Costa (5). 4.45 News. 5.00-5.15 p.m. News. 5.15-5.30 p.m. News. 5.30-5.45 p.m. News. 5.45-6.00 p.m. News. 6.00-6.15 p.m. News. 6.15-6.30 p.m. News. 6.30-6.45 p.m. News. 6.45-7.00 p.m. News. 7.00-7.15 p.m. News. 7.15-7.30 p.m. News. 7.30-7.45 p.m. News. 7.45-8.00 p.m. News. 8.00-8.15 p.m. News. 8.15-8.30 p.m. News. 8.30-8.45 p.m. News. 8.45-9.00 p.m. News. 9.00-9.15 p.m. News. 9.15-9.30 p.m. News. 9.30-9.45 p.m. News. 9.45-10.00 p.m. News. 10.00-10.15 p.m. News. 10.15-10.30 p.m. News. 10.30-10.45 p.m. News. 10.45-11.00 p.m. News. 11.00-11.15 p.m. News. 11.15-11.30 p.m. News. 11.30-11.45 p.m. News. 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Student Plays

by JEREMY KINGSTON

National Student Drama celebrates its 21st birthday. Five of the award-winning plays of last April's Edinburgh have been to London for a brief this week.

University presents Bream's Coup (J&K), a conflict of political and an urban across the chie dinner a trendy Hampstead Hall) is proposing itself after the pudding, idful couple—who praise s of atrocities as uly judged—are taping for future media ge, while the reason give me German hers!") is increasingly

author's sympathies are distributed between the opponents: it is the sponges who are the of his witty but firm dis- l. Direction is by Marcus r, who also enjoyably the perturbed Right-

Pugh's *The Key* ex- alities that understand- n for its author the Times Student Playw- rd. Assured dialogue, s of subject and an rrent of alarm are all return to a graveyard lands Arts to Richard Fawkes, a ty Clare where, their brother lies buried. It be working at the Puppet Theatre of the Midlands Arts Centre for Young People, in Birmingham, during the coming months and it is hoped that and extract this from on a story from the Mabinogion, rds. One brother is deficient, a second

First puppet theatre writing bursary awarded

The first bursary for a writer to work with a puppet theatre has been awarded by West Mid- lands Arts to Richard Fawkes, a ty Clare where, their brother lies buried. It be working at the Puppet Theatre of the Midlands Arts Centre for Young People, in Birmingham, during the coming months and it is hoped that and extract this from on a story from the Mabinogion, rds. One brother is deficient, a second



Left: Brian Croucher and Oliver Smith in 'The Key' which opened last night at the Royal Court's Theatre Upstairs

INTERIM STATEMENT

SOREC LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT

Financial year end of the company was changed from 30th September to 30th June 1976. The directors in 1976, in terms of the Companies Act, 1973, the directors that the unaudited results of the company and its subsidiaries for the twelve months ended 30th June 1976 are:

	1976	1975
Profit before taxation	R2 800 000	R3 420 000
Profit after taxation	R1 184 000	R1 380 000
Profit after taxation	R1 618 000	R2 040 000
Dividends per share	7.37 cents	9.4 cents
Dividends declared per share	3.25 cents	7.5 cents

Pre tax profits for the six months ended 31st December 1975 were reported as being R1 509 000 and taxation applied at 30% to R462 500. Since the date of the interim report, the rate of the 1975 tax, has been increased from 5 per cent to 45 per cent. The taxation to be levied on the profits reported as at 31st December 1975 must be increased by R29 000 to R491 000 resulting in a group profit after taxation of R1 509 000 for the first six months of the current financial period.

Shareholders were advised that the estimated taxed profits for six months ended 30th June 1976 were estimated to be R1 184 000, allowing for the increase in the rates of 45 per cent, should now be adjusted to R749 000. Actual profits for six months ended 30th June 1976 are R738 000.

During the six months ended 30th June 1976 the company of 4 of its 33 per cent investment in London Consolidated was sold. A capital loss of R3213 000 was sustained. A loss has been transferred to non-distributable reserves.

Investment Projects: During the six months ended 30th June 1976 a decision was made to proceed with the erection of the office portion of the development which although included in the 1975 development was being held in abeyance pending an increase in the letting market. The directors are confident of demand for decentralised office space is sufficient to the development of the entire project.

Commitments: In respect of capital expenditure for the 1976 project and various developments being undertaken, the company has an investment amounting to R10 166 000. Arrangements to finance these commitments have been made.

View of the change in financial year end of the company: Shareholders are advised that dividends will be paid in April and October of each year and payment of dividends will be made in May and November of each year. For and on behalf of the Board

D. G. Nicholson, Directors
C. D. M. McVittie

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Johannesburg 2001

Secretaries:
dated Share Registrars Limited,
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30th July, 1976

Cinema

Autumnal stirrings

by NIGEL ANDREWS

The End of Summer
National Film Theatre
The Sailor who fell from Grace
with the Sea (X) Carlton
The Message (A) Plaza

Next week the National Film Theatre launches the second part of its retrospective season devoted to the Japanese film-maker Yasujiro Ozu, and although it has become fashionable to chastise the British Film Institute and its works this is one instance when the hatchet can be laid aside and congratulations offered to those concerned for the skill and enterprise with which this season has been put together. It was the NFT, together with the British film magazine *Sight and Sound* (another institution that has had its fair share of vituperation), that first brought Ozu to the attention of Western audiences during the 1950s. Since then the critical bandwagon has gathered speed and momentum, and its current list of passengers includes most of the doyens of modern European and American film criticism. This is one area in which British cineastes, so often accused of following meekly in the footsteps of more progressive foreign critics, can claim with some pride to have blazed the trail themselves.

Ozu's films are beautifully delicate and observant pictures of family life: domestic miniatures devoted to the belief that there is no detail of daily life—eating, sleeping, gossiping, working—that is too small or "trivial" for the artist's attention, or that does not tell us something of value about the family or the society in which it takes place. The style of Ozu's films reflects the same loving simplicity as their content: a motionless camera, a pure and exact sense of framing, a use of colour graded to the natural tones of the human skin, a genial and effortless naturalism in the performances. If artists have spiritual ancestors, then Ozu's surely include Chekhov and Jane Austen.

The End of Summer, showing at the National Film Theatre on August 16, shows Ozu's gifts, at their purest and most winning. It is a rare Ozu melodrama, the widowed daughter chooses to spend his declining days with a former mistress, by whom he once had a child. His three legitimate daughters gather round him, making chorus on the action; the father, whose own life is exemplarily conventional—one is married to the man who runs the family business (a sake plant), another has had a fiancée picked out for her by the family—but despite or perhaps because of that conventionalty they lack the serenity and the genial self-assurance of their ageing father.

Ozu lets the multiple threads of his plot—each daughter's story is followed in turn—dangle tantalisingly free before knitting them together in the final scenes. The father suffers a heart attack, and the children are suddenly shocked into looking at their own lives and at the example set by their parents. It is a potentially sombre theme, the to-ing and fro-ing in the film's later scenes is often very funny. At one point the father suddenly emerges from his supposed death-bed to announce "I slept very well. I must be myself"; whereupon the relatives cluster together outside the bathroom door in a kind of paralysed

and expectant curiosity.

Ozu never forces the natural rhythms of everyday life into artificial patterns of tragedy or comedy. The film's moods grow out of its story and its characters, and only rarely—as with the shots of crows that punctuate the last sequence of the father's cremation—does he make use of overt symbolism. The characters at their purest and most winning. It is a rare Ozu melodrama, the widowed daughter chooses to spend his declining days with a former mistress, by whom he once had a child. His three legitimate daughters gather round him, making chorus on the action; the father, whose own life is exemplarily conventional—one is married to the man who runs the family business (a sake plant), another has had a fiancée picked out for her by the family—but despite or perhaps because of that conventionalty they lack the serenity and the genial self-assurance of their ageing father.

The End of Summer was the last film but one Ozu made before his death. The current NFT season begins with the director's last film, made in 1963, *An Autumn Afternoon*. In- cluded, along the way are such standard Ozu classics as *Tokyo Story* and *Good Morning*, as well as lesser known works like *Tokyo Twilight*—a rare Ozu melodrama—and *Floating Weeds*, a 1959 re-working of an early Ozu silent tribute to a man who seems, to Western audiences brought up on the flamboyant period pieces of Kurosawa and Mizoguchi, that country's least characteristic film-maker, but who could well emerge, in years to come, as its most universal and enduring one.

The Sailor Who Fell from Grace with the Sea is a strange brew of a film: almost as exotic

and indigestible as its title.

Sarah Miles plays a frustrated widow living with her 13-year-old son in a small Cornish sea- port. Into her life one day comes bearded, blue-eyed sailor Kris Kristofferson: second officer on a cargo ship whose first appearance, steaming into the harbour, Miss Miles greets with the immortal and pandently ambiguous line "She's a BIC one!"

Miss Miles' son (Jonathan Kahn) is a precocious schoolboy who has a predilection for spying on Miss Miles through a peephole in the bedroom wall. Miss Miles being in the habit, prior to Kristofferson's arrival, of massaging her breasts in front of the bedroom mirror.

When Kristofferson takes her to bed, and eventually proposes marriage, the son goes off to tell his schoolmates—a sinister, masonic little group led by a boy with very individual ideas on how adults should behave. Be- lieving that Kristofferson has somehow "betrayed" his true calling—the sea—the schoolboys set about preparing for him a horrible retribution.

The story is based on a novel by the Japanese writer Yukio Mishima, and it may once, on the printed page, have possessed some kind of poetic truth. On screen it belongs firmly to the cinema of sexual hyperbole: that strange world of clutched beds, perspiring heroines and perceptive sexual symbolism which has counted among its greatest masterpieces such films as Tony Richard's *Mademoiselle* and Kaneto Shindo's *Onibaba*. The performances are suitably weird and ill-matched. Kris Kristofferson exudes a sleepy, offbeat mastery of the role of a tigerish rellish that must be and Irene Pappas. The director, fuelled partly, I am sure, by was Moustapha Akkad.

Juvenalia Like all epigrammatic reactionaries, he is a sad and entertaining figure: presents while you're on the job. "The wine's so rough, sheep clippings wouldn't absorb it." "The Games are on—the Praetor has dropped his napkin." Only the last of these random quotations from this hour-long entertainment would give you a clue to the source of the material. The poet is Juvenal (born circa 55 A.D.), and Richard Quirk has plundered Peter Green's translation of the Satires to provide a delightfully bilious vehicle for the talent of one of our most gifted young actors. Simon Callow.

Mr. Callow takes the rostrum in evening dress and an appallingly dishevelled wig to rail against the sexual fashions of the day, the influx of pushy "Greeklings" in a Rome bent on a course of rapid moral and ethical decline in the wake of the Golden Age, the prevailing standards of materialism and the unacceptable face of Epicureanism. Like all epigrammatic reactionaries, he is a sad and entertaining figure: presents while you're on the job. "The wine's so rough, sheep clippings wouldn't absorb it." "The Games are on—the Praetor has dropped his napkin." Only the last of these random quotations from this hour-long entertainment would give you a clue to the source of the material. The poet is Juvenal (born circa 55 A.D.), and Richard Quirk has plundered Peter Green's translation of the Satires to provide a delightfully bilious vehicle for the talent of one of our most gifted young actors. Simon Callow.

Little Theatre, St. Martin's Lane

And by JEREMY KINGSTON

This everyday tragedy in lives of proletarian folks is set somewhere near a northern mining village at some time in the 1880s. Two brothers have shot the hated mine-owner—apparently from motives of honourable rebellion and opposition to capitalism but in fact inspired, alas, by jealousy and sexual inadequacy. The deed done they take to the hills. A third man is in flight, a Jewish pedlar who has been stoned out of that same village, having been stoned, the cru- fesses, out of every village from Russia westwards. The girlfriend of one of the brothers leads him to her brothers' hide-out and there the three men take shelter.

Now here would seem to be a situation primed for the intersection of underdog experiences, best shown in a scene where he or for the revelation that we are all, or as the case may be, not all brothers. Several alternative developments come to mind but Alan Passes touches on anti-semitic abuse his principal interest lies in leading up to the sexual disorder of the two young murderers.

Bush

Juvenalia

"Male brides will yearn for a mention in the Daily Gazette"; Boys don't nag you for little presents while you're on the job. "The wine's so rough, sheep clippings wouldn't absorb it." "The Games are on—the Praetor has dropped his napkin." Only the last of these random quotations from this hour-long entertainment would give you a clue to the source of the material. The poet is Juvenal (born circa 55 A.D.), and Richard Quirk has plundered Peter Green's translation of the Satires to provide a delightfully bilious vehicle for the talent of one of our most gifted young actors. Simon Callow.

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MICHAEL COVENEY

Covent Garden

Errand into the Maze

by CLEMENT CRISP

The two final pieces in the repertoire for the Graham season were on show on Wednesday at the Opera House: *Errand into the Maze* and *Cape of the Heart*. Both are spare, declamatory works, which demand the greatest intensity of performance if they are to succeed. *Errand into the Maze* looked stronger on this occasion, with Takako Asakawa and Tim Wengert as the figures who play out this gloss on the Minotaur legend. They are grand dancers in the new generation of Graham artists: Miss Asakawa has inherited several major Graham roles and she gives them a particular felicitous sharpness—not perhaps the Ugness that Graham herself could seem, but absolutely in the right style. Mr. Wengert looks and moves more like the original mould of Graham's men dancers: he has the bligness of impulse and the dynamic weight that fill out Graham's choreography (his final entry in *Diversion of Angels* is tremendous in its thrust and lift of energy).

Errand, with yet another fine set by Noguchi—it looks like a Joan Miró in three dimensions—finds a woman caught in a maze of fog, dogged and beset by terrors that are personified by the Minotaur, eventually finding the strength to defeat her fear. The work's progress to this point is compelling. What remains unexplained is whence comes the woman's decision to outface her tormentor.

Admirably performed on Wednesday, the piece yet looks incomplete, and nags slightly at one's pleasure because of this. Nothing incomplete about the development of *Cape of the Heart*, which tells of Medea's vengeance on the faithless Jason, the poisoned crown with which she kills his new love, and the eating of her children. Graham in this role had a terrible inevitability, a vicious directness of gesture and pose that is only partially shown in Yuriko Kimura's performance. Without this central passion, the work can look diffuse, albeit the inter- pretations of Miss Kimura, Daniel Maloney as Jason, and Diane Hart as the doomed Princess are carefully studied.

The final section, though, caught all the work's grandeur of utterance. Miss Kimura entering swathed in mauve and trailing the dead Princess behind her: the exultant figure of Medea enthroned in a gold wire structure; the abject figure of the Chorus (Susan McGuire), are Graham theatre at its most forceful and unforgettable.

The season ends on Saturday.

It has been a triumph for Miss Graham: a bi-centennial vindication of her 50 years of work. It may have seemed in prospect something of a gamble for both the Opera House and Miss Graham: it has paid off, with rewards for our audiences.

King's College, WC2

Postcard from Morocco

by MAX LOPPERT

At the New Theatre in the basement of King's College in the Strand, the Contemporary Opera Company has mounted the first British production of *Postcard from Morocco*, a chamber opera by seven singers and eight instrumentalists. The American composer about whose Pulitzer Prize-winning song cycle for Janet Baker and whose Edgar Allan Poe opera there have this year been reports in these columns. The task of describing the enterprise is indeed an unhappy one for the critic who would dearly like to applaud the adventurousness of producer Tony Dinnar and conductor Ronald Rappoport in putting the show together; for, alas, the 100-minute-without-break were on Wednesday hard going—an extended musical fantasy with elements of mildly curious and picaresque charm swallowed in a sea of whimsy, and not much helped by an apparently uncertain manner of presentation.

The scene may or may not be (it's that kind of evening) a railway station in Morocco, in 1914: a group of travellers may or may not be expecting the arrival of their train. Floor shows, diversissements (one of which is that old joke, the band piece on Wagnerian themes in dance rhythms introduced by the placard *Souvenirs de Wagner*), imaginary puppet shows and other burlesque turns space out the "arias" for each performer as the contents of his or her suitcase are described. One is finally persuaded to open his: it is empty. The atmosphere, according to a note in the score by the librettist John Donahue, should not be "morbid or peculiar so much as wacky or exotic, sometimes romantic and also like a memory (1914), like an old postcard from a foreign land..."

The intention seems to have stretches at a time.

been the telling, under a guise of bright, disconnected, surrealism, of a moral fable about the cruel self-protective-ness of any society, even one so temporarily constituted, towards the outsider—a kind of *Flying Dutchman* as re-written by Satie (themes from the opera appearing at key points towards the end). An ambitious undertaking—demanding a much more tightly logical kind of working out, and music less pleasantly attempered, less dependent on half-digested fragments and hopeful parodies. After the initial curiosity had worn off—this being prolonged, perhaps, by the poor diction of the cast, making the words of the first ten minutes mostly inaudible—the lack of musico-dramatic substance, of real wit or creative energy, of distinctively personal idiom, of even the old-fashioned virtues such as pace and balance, became sadly self-evident. The score is a sheaf of little forms, from ensembles to a pastiche, taking in operatic type duets on the way; but showing little overall concept of operatic form.

Just possibly, Argento has not been best presented by a production that appears to ignore an inexplicably large number of directions given in his score. The backdrop and costumes were bright in colour but null in atmosphere, by no means "false but charming"; the "come-alive-go-dead" distinction aimed for among the characters has been ignored; the general dramatic direction is loose, free in the wrong sense—and the result is more often than not, fey and dainty. There are some good young voices in the cast, among whom the high coloratura Yara Lahal and the mezzo Bridget Bartlam (seductive in her nightclub-vamp number, on a 12-note werm) stood out; eyes were glued to the conductor for long stretches at a time.

July 28, 1976

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OVERSEAS NEWS

U.S. passes Lockheed names to Japan

By Charles Smith

TOKYO, July 29.

THE NAMES of four senior members of the Liberal Democratic Party are mentioned in secret material which has been supplied to Japan by the U.S. authorities in connection with the Lockheed case, it was claimed today.

The names are those of two former secretaries general of the party (both of whom held office under the recently arrested Mr. Kakuei Tanaka), another slightly less senior party official and, most significantly, the present party Secretary-General, Mr. Yasuhiro Nakasone.

The four men, whose names were mentioned in a despatch from Washington today by a correspondent of the Asahi Shimbun, Japan's largest daily newspaper, immediately and emphatically denied any involvement in the case.

An official of the Justice Ministry, however, was quoted this afternoon as telling the special Diet committee on the Lockheed case that the report might be correct.

If the Asahi report does turn out to be well founded, it will not follow that any of the people concerned took bribes from Lockheed or did anything to help sales of Lockheed aircraft in Japan, or did anything improper. Mention of "names" in the U.S. secret material could mean simply that the men concerned were at some time mentioned by one of Lockheed's Japanese associates.

Mr. Nakasone is the first political figure currently holding an important position to be mentioned in connection with Lockheed. His involvement therefore raises questions about the integrity of the present Miki Cabinet in relation to the crisis. The Prime Minister, Mr. Takeo Miki, said emphatically the day before yesterday that he would resign if any member of his Cabinet was implicated in Lockheed.

Mr. Nakasone is not a member of the Cabinet but his job as party secretary general makes him at least as important as some Cabinet members.

A Tokyo court today granted prosecutors permission to detain former Prime Minister Kakuei Tanaka for 10 more days for questioning concerning his involvement in the Lockheed payments scandal in Japan.

UPI

JOHANNESBURG, July 29. THOUSANDS of Black school children walked out of classes in the African township of Soweto today and later all schools were ordered to close. It was not immediately known what caused the walkout.

The divisional police commissioner for the area, Brigadier J. H. Le Roux, said the walkout had taken place mainly in the Mofolo section of the township, but that so far everything was quiet in the area and no incidents had been reported.

Earlier White officials of the Department of Basic Education were withdrawn from Soweto as the situation remained tense following further cases of arson during the night.

A police spokesman said today that fires had been started in four schools during the night but in none of the cases was the damage serious.

The spokesman also said that in Krugersdorp, about 20 miles west of Johannesburg, fires had badly damaged a beer-hall and a spice factory. Schools in Soweto and other townships were reopened last week, five weeks after demonstrations over the enforced use of the Afrikaans language as a teaching medium led to rioting in which 176 people died.

The Government has since allowed the schools themselves to decide whether to use English or Afrikaans.

In the Black townships around Pretoria schools reported almost normal attendance.

Meanwhile, members of the Mineworkers' Union in South African gold and coal mines voted late on Wednesday to strike next week unless the deadlock over demands for a five-day working week are resolved.

Union general secretary P. J. Paulus said, however, the union is convinced the dispute could be resolved with the co-operation of the Government and the Chamber of Mines.

The union reported that 88.72 per cent of the 7,775 union members who voted cast ballots in favour of strike.

The Secretary for Labour, Mr. Ben Lindquist, has announced that union representatives will meet with Minister of Mines and Labour, Mr. Fanie Botha, on Monday.

In Cape Town, security police said today they have detained four people, including two journalists and a university lecturer, under South Africa's Terrorism Act.

Agencies

'Final touches' on Syria-PLO agreement

BY LOUIS FARES

DAMASCUS, July 29.

SYRIANS and Palestinians met in Damascus today to put the "final touches" on an accord which reportedly will "end the dispute which opposed the Syrian Government to the PLO over the past few weeks."

Mr. Abdessalam Jalloud, the Libyan Prime Minister told a press conference here last night that the "accord" had been reached thanks to Libyan successful mediation. He predicted that the accord will be officially announced within the following 24 hours and that Mr. Yasser Arafat, chairman of the PLO, will arrive in Damascus at the head of an important delegation grouping the main leaders of the movement.

Mr. Jalloud has also expressed his optimism about "the success of the accord in solving the Lebanese crisis." He said that he would return to solve the outstanding problems between Syria and Iraq—explaining that

no "rejection front" could be formed effectively without Damascus.

Mr. Jalloud has been shuttling now for more than two months between Damascus and Beirut in an almost unprecedented attempt by a chief of government to solve the Lebanese conflict.

The chief of the Palestinian negotiating team declared in Damascus today that he was "very optimistic" about the results of the talks. Mr. Farouk Kaddoumi, who heads the PLO's delegation, said that "things are going the way that each honest Arab wants them to go."

Mr. Abdul Halim Khaddam, the Syrian Foreign Minister, said the final stages of the accord is being elaborated today.

By contrast the Syrian press highlighted today "a field visit" that Major General Mustapha Tlass, Defence Minister, has paid, together with a

number of commanding officers, to the fighting formations of the Syrian Army stationed in North-Eastern Syria on the Iraqi border. He was reported to have reviewed the troops and explained to the officers and soldiers the various developments of the Lebanese crisis.

General Tlass referred to the "suspicious role of the Right-wing regime of Baghdad" and said that "the concentration of Iraqi troops on the border with Syria aims only at diverting Syria from exercising her national role in the area."

Observers in Damascus regarded this announcement as underlining the bitterness of the feud which is splitting the two countries.

UPI reports from Beirut: An Arab League mediator said Lebanon's warring militias were close to agreement on another truce, and the Government has agreed to allow evacuation of refugees from the Christian enclave in South-east Beirut.

Red Cross Committee of wounded from the Palestinian camp of Tel Zaitar. But the sound of artillery and mortar fire continued to resound across Beirut and its suburbs—heavy fighting in the past 24 hours has left another 80 persons dead and 130 wounded.

Dr. Hassan Sabry el Kholy, the Arab League envoy who mediated a short-lived week-end truce, said he was close to winning acceptance of another one from the Christian Right-wing forces. He added that Mr. Canille Chamoun, titular Minister of the Interior, has also agreed in writing to let the Red Cross begin evacuation of an estimated 1,000 wounded who are said to be suffering from lack of medicine and water.

The Red Cross said it would make another evacuation attempt today if there was no fighting in the area.

UPI

Rhodesian emigration continues

SALISBURY, July 29.

RHODESIA recorded its fifth successive monthly net loss of white people in June when those leaving the country outnumbered immigrants by more than two-to-one, according to official figures published today.

The Digest of Statistics reported 572 whites entered the breakaway British colony last month and 1,330 departed. Rhodesia's last net gain was 20, in January.

The June figures contrasted sharply with the net gain of 1,538 recorded in the same month last year.

Since January 2,280 more whites have emigrated than have entered the country.

Meanwhile, Rhodesian troops have killed another seven African Nationalist guerrillas and nine African civilians in the past

eight days, a security force spokesman said today.

Two Africans accompanying a guerrilla group were killed by Rhodesian forces, together with a curfew and an African who border area and an African who failed to stop after being challenged, the spokesman said.

The statement also reported that guerrillas themselves had killed six African civilians and abducted two other people, including a black police constable.

Fifty six Black Rhodesian farm workers have been sentenced to ten years imprisonment with labour for failing to report the presence of guerrillas.

The two-day trial in the Regional Circuit Court at Bindura, 45 miles north of here, was the sequel to the murder of a European farmer, Mr. Eugene

Pitcher, last month, the Rhodesian Herald reported today.

A total of 77 workers from the farm appeared charged with the murder, and report the presence of terrorists.

All pleaded not guilty. Twenty-one were acquitted and the rest found guilty.

The court was told that the guerrillas arrived at the farm compound on the evening of June 12 and were fed by employees. The report said they left and returned the next night, a Sunday. Early on the Monday at his farm workshop.

Some of the workers told the court they had not reported the guerrillas because they had expected the "boss boy" to do so. Others said they had been too scared to report them.

UPI

Thai police round-up of refugees

By Richard Nations

BANGKOK, July 29.

THE THAI police launched a massive round-up of Vietnamese refugees illegally in Bangkok in what many political observers here see as a move by the Right to "sabotage" the Thai Foreign Minister Bhichai Rattakul's visit to Hanoi to normalise relations next week.

The surprise crackdown began at 4 a.m. and was directed against the Vietnamese refugees restricted to camps in the North-East who had come to Bangkok without permission. Of the 168 arrested, 88 were released after producing the proper papers— the remainder were taken for questioning by the special branch.

The roughly 40,000 large Vietnamese refugee community which escaped to Thailand in the 1940s during the first French Indo-China war has regularly been the target of anti-Communist campaigns organised by right-wing groups. Last year attacks on the Vietnamese refugees led by Right-wing youth gangs followed immediately in the wake of a visit by a North Vietnamese delegation to Bangkok, contributing considerably to the strain in relations between the two countries, which developed.

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Key delegation leader swings away from Reagan

BY DAVID SELL

WASHINGTON, July 29.

MR. RONALD REAGAN, his campaign still suffering from angry conservative reactions to his surprise choice of a liberal Senator as a possible running mate, last night lost the important support of the powerful Republican delegation, once one of his most ardent supporters.

Mr. Charles Reed, whose delegation is still uncommitted but has enough votes to give Mr. Ford more votes than appears to be needed for the nomination, said last night that he disapproved of Mr. Reagan's "critical choice."

Mr. Richard Schweiker, a Republican Senator from Pennsylvania, said he was increasingly coming to the conclusion that Mr. Reagan was the major beneficiary of the delegation's choice. Not only has he sided with Mr. Ford after the President's announcement, but he has also voted to make any perceptible impact on Mr. Ford's strong sup-

port among those in the centre of the party. Not is anyone very impressed by Reagan staff claim last night that should Mr. Reagan be elected and not finish his first term Mr. Schweiker has promised to govern according to Mr. Reagan's conservative principles.

There is, of course, still time for all this to change, but the Reagan people have undoubtedly been a little non-plussed by the extent of the conservative opposition to Mr. Schweiker. Their candidates' position may be further undermined by reports today that he approached Mr. William Ruckelshaus, former Deputy Attorney-General under President Nixon, as a possible running mate. Mr. Reagan has long said that Sen. Schweiker was the first and effectively the only person he approached.

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Carter aide gloomy on economic trend

BY DAVID SELL

WASHINGTON, July 29.

Professor Lawrence Klein, Mr. and Mrs. Carter, who gave a separate economic briefing at a home in Georgia, are clearly rather more sombre picture of the future of the economy than the administration's forecasters.

In testimony on Capitol Hill, Prof. Klein never mentioned Mr. Carter by name but it was clear that his remarks were intended to reflect the kind of advice that he has been giving to Democratic nominees for nearly a year.

He said that by the middle of next year he expects that the current recovery will be already running out of steam and that, if no stimulus is applied, there could well be another recession in 1978. As the recovery begins to falter, he went on, there will be a strong case for a careful package of "stimulative economic measures."

To begin with, he told the House banking committee, the Federal Reserve Board should already be adopting a somewhat looser, easier monetary policy designed especially to help the construction industry which has so far not benefited to any great degree from the present recovery. He conceded that he was aware that the chairman of the Fed, Dr. Arthur Burns, believes that higher interest rates may be necessary to curb inflation. But he said that there was, probably a need for "moral suasion" to get the Fed to soften its position.

Meanwhile both Prof. Klein and Mr. Carter, who gave a separate economic briefing at a home in Georgia, are clearly rather more sombre picture of the future of the economy than the administration's forecasters.

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Viking testing 'strange' Mars soil

PASADENA, July 29.

VIKING 1 bathed a tiny sample of "strange" Mars soil in official sunlight today in the first attempt to see if life thrives on or just under the surface of Mars.

It may take biologists weeks or even months to reach any conclusions about the presence of extra-terrestrial life, but even a negative finding will rule out life on the planet.

The artificial sun experiment started yesterday and was incubating the sample in a chamber filled with a Mars-like atmosphere rich in carbon dioxide. The test was designed to see if any Martian organisms take in carbon as plants on earth use sunlight to produce oxygen, water and organic material.

The robot's intricate biology apparatus was to deliver a rich mixture of nutrients scientists have dubbed "chicken soup" to a second soil sample in another incubation chamber today. Confirmation was expected late tonight.

Viking's third life detection experiment begins tomorrow when a simpler nutrient will be squirted into still another test chamber. The idea of the three experiments is to stimulate the metabolic or photosynthetic processes of any Martian micro-organisms so that by-products of life can be detected.

The first run of the three biology experiments will be completed by August 1. If the results are positive, biologists will have to repeat the 12-day tests before any conclusions can be reached.

The trench left by the digger was 2 inches deep, 7 inches long and 21 inches wide. Pictured below is the soil that the excavator has dug out of the crater.

Dr. Robert Hargraves of Princeton University, "I'm surprised by the apparent cohesion. I'd dry, aeolian (wind deposited) material. I don't think any expected that."

The digger will gather samples from the trench later in the mission so the biology experiments can be repeated. The new sample is expected to be taken from a deeper trench and sample may be gathered from beneath a rock if the arm can dig around it.

"The mission is really just beginning," said Dr. Leslie Orgel of the Salk Institute for Biological Studies. "For those of us interested in organic chemistry and life, we've hardly scratched the surface."

The spoonful of soil was delivered to the biology apparatus yesterday by Viking's retractable digging arm. Another sample went to the craft's inorganic chemistry analyser but some of the soil was left in the instrument designed to look for organic molecules in the Martian soil.

Project director James Martin said, a sensor in the organic analyser failed to register a hit in his hopper had been filled. This meant the experiment could not start until scientists determine what went wrong. The instrument will be photographed on Sunday.

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A recipe for confrontation

BY JOHN KANE-SERMAN IN JOHANNESBURG

THE question on many people's lips as sporadic violence and arson continue to break out in Soweto and by South Africa's townships is "Will the Black workers come out on strike?" Last week it was rumoured in Johannesburg that a strike and further demonstrations by schoolchildren were in the offing. Armed police patrolled Soweto to prevent them.

Pamphlets advocating a strike were distributed in Soweto and Alexandra, a location adjoining some of the fiercest confrontations between Africans and the police, but no strike materialised.

In several townships, buses carrying Black people to work were stoned. One youngster attacked a man demanding "Why are you going to work while we are fighting?" Another threatened: "You will be slaughtered if you go to work today."

But things do not appear to have been taken much further. Little evidence has emerged that strike action was seriously contemplated or planned during the upheavals. In a way, this is surprising. One expert commented: "If Black workers don't go on strike when the police are killing their own children, will they ever do so?"

On the other hand, the difficulties facing any Black attempt to organise a strike are formidable, and especially so when armed police are patrolling day and night.

Another important factor militating against strikes is rising unemployment among Africans. Official statistics are not kept, but a researcher at the University of Cape Town, Charles Simkins, has calculated that it is now in the region of 20, or 30 per cent, of the economically active African population. Hardly a day goes past without reports of redundancies in factories as the economy sinks deeper into recession.

African unemployment—the shortfall between the number of Africans of working age (which is increasing rapidly because of the high birth-rate) and the number of full-time jobs on offer—is now rising by about 20,000 every month.

There are also signs of a concerted strategy among some of the most powerful employer organisations to meet out to go to African workers who step out of line. In several factories restiveness has been met by instant dismissal of the entire work-force, followed by selective re-hirings: those who promise to remain docile are signed on again, while alleged "agitators" do not get their jobs back.

One of the most important lessons of Soweto is that there are depths of discontent and bitterness among Africans, of which most Whites here are

through the medium of Afrikaans, regarded by them as the language of their oppressors. Next time round, despite all the obstacles, it could be the industrially unaware. Only 31 years ago, White employers were taken by surprise when scores of factories in Durban were brought to a standstill by Black strikes. In June this year it was the schoolchildren who went on strike against being forced to study the more difficult subjects

advice is ignored. It was able to muster a poll of less than 20 per cent. in the last local elections, and is widely regarded by the people of Soweto as consisting of stooges and "Uncle Toms."

Officially, the Bantustan leaders are regarded by the Government as the main spokesmen for urban as well as rural blacks. But even their warnings over Afrikaans 18 months ago went unheeded by Pretoria and they have played no part at all in the recent negotiations over township unrest.

As with civic affairs, so with the Black labour force. There is a growing demand among Black workers for the trade union rights enjoyed by other mainly white workers, but the Government and 90 per cent of company management remain strongly opposed.

Black unions are therefore denied recognition. In their place, government and management have imposed an in-factory committee system. But this does not have wide support among Black workers since the committees have no real bargaining power and are easily manipulated by management.

Harassed by the security police, the Black union movement is very small, with fewer than 100,000 Blacks in about a dozen unions. But Black demands for trade union rights continue to grow. When they meet transgression from management, negotiations can arise.

One of the more serious problems in industrial relations is the absence of workable institutions for communication, negotiation, and the peaceful resolution of conflict. The children of Soweto took to the streets to make their voices heard. Black workers have done it before, and they are likely to do it again.

HOME NEWS

Premiers deserve £7,000 more, says review body

BY ALAN PIKE

A TOTAL SALARY OF £30,000 to £19,000, again including Parliamentary salary, for the Prime Minister heads a list of substantial increases recommended by the Review Body on Top Salaries in the first examination of ministerial pay since 1972.

None of the recommendations will be implemented at present because of the restrictions of the pay policy, although the review body expresses its concern at the consequences of "continuing to undervalue the demands on those elected to govern the country."

The Prime Minister, Mr. James Callaghan, said in Commons yesterday that the Government "does not propose to take any further action on the report until the incomes policy permits."

On the basis of the review body's proposals the Prime Minister would receive £30,000 including a Parliamentary salary of £5,000 and a £5,000 tax-free element in recognition of the special expenses of the office. Mr. Callaghan at present receives £20,000 plus a £3,000 Parliamentary salary.

Other Cabinet Ministers would receive a £7,000 increase taking their pay to £25,000 while a rise from £20,000 to £27,000 per year is proposed for the Lord Chancellor, Senior Ministers not in the Cabinet and Ministers of State, who now receive between £7,500 and £9,500 plus £3,700 Parliamentary salary would get £15,000-£18,000. The total for junior Ministers would rise to £13,500.

The review body has decided that the time has come to pay the Leader of the Opposition, as the "most likely alternative Prime Minister," a somewhat higher salary and it recommends

Calculations

In anticipation of the "wide-spread public comment" which is likely to follow its recommendations, even if most of them will not be enacted at present, the review body goes to some lengths to put its report into perspective. It offers some calculations of the likely value of its recommended salaries after tax, based upon the June 1975, tax position of a married man without dependent children or other allowances.

This makes the Prime Minister's £30,000 worth £15,845, a Cabinet Minister's £23,000 worth £9,878, and a Government whip's £11,000 worth £5,496.

"The increases that we now recommend are broadly consistent with the scale of increases in salaries generally, at comparable levels of income, over the period in question," says the report of the review body, chaired by Lord Boyle of Handsworth.

Recommended increases are based on levels which appeared appropriate at June 1975, and if they seem large, the review body stresses, it is because of the long interval since the last review. The review body repeats a call for MPs and Ministers pay to be subjected to biennial review.

In its last report, the review body recommended a salary of £8,000 for MPs and it considers it "wrong in principle and unwise in practice" that, while its

proposals for higher allowances were accepted in full, salaries were increased by only one-third of the suggested figure. Lord Boyle and his colleagues warn that "awkward though it may be," MPs only store up greater difficulties for their successors if they do not vote themselves realistic salaries.

Airport jet night flights to be reduced

By Michael Donne

THE NUMBER of jet airliner movements at Heathrow and Gatwick airports will be cut sharply, to 2,200 at Heathrow and 1,600 at Gatwick, from November 1 to March 31 next as a result of reductions in night flights.

Announcing this yesterday, Mr. Stanley Clinton Davis, Parliamentary Under-Secretary for Aviation, said these reductions—about 400 at each airport—in no way prejudged the outcome of the long-term study on night jet restrictions, now in progress, which is aimed at further reducing night-time disturbance.

At both airports, the restrictions will apply from 23.30 hours to 06.30 hours on Mondays to Saturdays, and from 23.30 hours to 08.00 hours on Sundays.

The study Mr. Clinton Davis referred to is intended to formulate a long-term strategy for the further progressive reduction of night noise disturbance.

No 'bidder in wings' in machine-tool case

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE NEED for the future of the State-owned machine-tool group Kearney and Trecker Marwin to be settled quickly was "both urgent and critical," the High Court was told yesterday by Mr. Ian Edwards-Jones, QC, for the Department of Industry.

Any suggestion that there was a firm prospective bidder waiting in the wings was "pie in the sky," he declared.

Mr. Edwards-Jones said that KTM was in need of an immediate major injection of new capital, which the Department and the Vickers engineering group were prepared to provide.

This was required if KTM was to hold on long enough to benefit from the "upswing to boom" expected by the machine-tool industry.

Inhibitions

Mr. Edwards-Jones stressed that the KTM Board would be inhibited in accepting large forward orders or accepting supplies if the future of the company remained in doubt.

He was speaking on the fourth day of the hearing, which is considering a scheme to restructure KTM's finances and switch control from the Government to Vickers.

The scheme is opposed by W. E. Norton, the machine-tool merchant, and Mr. Walter Norton has suggested that companies other than Vickers might be interested in acquiring KTM.

Mr. Edwards-Jones said "There is not a scintilla of evidence that in this limited market there is any firm prospective buyer." Or that the buyer might be more generous to Norton than the proposed scheme," he added.

It would take at least nine months for any other buyer to get to the stage Vickers was at

Strong nerves

The buyer would need sufficient reserves and management experience to take over from Vickers, which has managed KTM since 1974. It would have to supply the necessary new capital to continue the business without interruption, and to be acceptable to the Kearney and Trecker Corporation of the U.S. so that the technology agreement with KTM would continue.

Production would have to continue in the U.K. at the current or an increased rate of turnover, and KTM must not be debarraged from any of its present markets.

Mr. Edwards-Jones said that KTM's business needed strong nerves and a deep pocket. Vickers and Kearney of the U.S. could provide the right combination of management and technology that was required.

Tyndale book

The report on the William Tyndale schools has now been published in book form and is available, at £3, from the GLC Bookshop, County Hall, London, SE1 7PB.

BANK RETURN

Wednesday, July 28, 1976

BANKING DEPARTMENT

LIABILITIES £

Credit: 14,585,000

Public Deposits: 17,787,907 + 83,428

Special Deposits: 1,000,000

Reserves: 380,217,201 + 1,154,257

Reserves & Other: 608,075,001 + 82,372,937

Total: 1,882,828,215 + 55,610,603

ASSETS

Govt. Securities: 1,592,108,840 + 10,880,000

Advances & Other: 176,508,482 + 55,448,504

Provision: 85,968,825

Other: 6,008,281 + 61,942

Total: 1,882,828,215 + 55,610,603

ISSUE DEPARTMENT

LIABILITIES £

Notes Issued: 6,750,000,000 + 25,000,000

In Circulation: 6,742,991,709 + 51,632,637

In Bank: 6,008,281

Total: 13,011,100

Govt. Secs: 8,014,981,589

Other Govt. Secs: 1,777,254

Other Securities: 783,993,819

Total: 6,750,000,000 + 25,000,000

Thistle oil production expected next year

Financial Times Reporter

THE THISTLE A oil production platform will probably be producing oil by October of next year, Burnmah Oil Development, the operator of the project, said yesterday. Favourable conditions could advance the starting date to July.

The setting up of the platform is being backed by a reliability and failure analysis team all of whom, says Burnmah, have been involved in a "space exercise, such as the moon-shot or a similar project."

Full production capacity should be reached by mid-1978. Initially transport to shore will be by tanker from a single loading point, but by 1979, it is envisaged that some 200,000 barrels of oil a day should be produced and delivered to the Sullom Voe terminal in the Shetlands through the Brent pipeline.

The overall cost of putting the platform into productive use is estimated at £500m. (on the basis of an exchange rate of \$1.5:£1).

The field is reckoned to have 1bn. barrels of oil in place, and it is thought that the life of the operation will be at least 15 years. No close estimate has been made as to what part of the oil in place can be extracted (it may take two years, or so to form a definitive estimate) but the operator hopes that it will be higher than 50 per cent.

The Thistle field, in which Burnmah is sole operator, is a medium-sized one in North Sea terms.

The partners in the Thistle unit, apart from the operators, are: BNOG (Exploration); Charterhouse Securities; Conoco North Sea; Deminex Oil and Gas (U.K.); Deminex Exploration and Production; Gulf Oil Corporation; Santa Fe Minerals (U.K.); and Tricentral Thistle Development.

Offshore supply group formed

RED FUNNEL Group and Williams' Shipping (Fawley), two Southampton shipping companies, have formed a joint company to manage and operate a supply base in the port of Southampton for the offshore oil industry.

The new company, Mayflower Oilfield Services, will work in conjunction with the British Transport Docks Board.

Felixstowe Bill appeal dismissed

A LAST-DITCH legal move to keep the Suffolk port of Felixstowe out of the hands of the British Transport Docks Board failed in the Court of Appeal yesterday.

After three days of argument, the court dismissed an attempt by Felixstowe Dock and Railway Company to block a takeover Bill which has just been approved by the House of Lords Select Committee.

The company—now owned by European Ferries—had sought orders compelling the Board to withdraw its support for the Bill.

It argued that the takeover would be a breach of Article 86 of the Treaty of Rome, concerned with preserving fair competition. But Lord Denning, Master of the Rolls, said that the Lords committee had reported that it was satisfied that the passing of the Bill would not lead to undesirable reduction in the competitiveness of Felixstowe.

There was not the slightest evidence to show that the takeover would be a breach of the Rome Treaty.

It had not been shown that the Docks Board enjoyed a "dominant" position in the area of Felixstowe or that there was any abuse of such position.

Lord Justice Scarman agreed and said any questions concerning the Treaty of Rome were for Parliament, and not the courts, to consider.

In his view, there was no problem of conflict between the Treaty of Rome and the Bill. Lord Justice Scarman also agreed in dismissing the appeal, with costs.

A. H. Hermann adds: The Treaty of Rome establishing the EEC says nothing about mergers and takeovers but its Article 86 prohibiting the abuse of dominant position has been interpreted by the European Court so as to bar takeovers in certain situations.

The court ruled in the case of Continental Can that it could be contrary to the Treaty of Rome if an enterprise already in dominant position increased this still further by a takeover. This rule could be probably extended to public undertakings which says that "Member States shall neither enact nor maintain in force" in respect of such public bodies and monopolies and measures contrary to the competition rules of the treaty.

There is, however, nothing in the treaty which could prevent Parliament considering any Bill, though the courts could eventually decide that the resulting Act was contrary to Community law.

Pension plan 'monstrous'

THE GOVERNMENT'S "monstrous" plan to appoint trade unionists to all pension fund management committees could become instruments of tyranny, Mr. Jenkins did not object to trade unionists sharing in the management of their pension schemes. "What sticks in my gullet is the Government's proposal apparently to exclude the members of the scheme from any say whatsoever in the choice of who should represent them on their scheme."

"I find in all this an intolerance which is terrifying. It betokens a drift towards the corporate State which could make slaves of us all."

Michell Bearing plant expansion

MICHELL BEARINGS, part of the Vickers group, is to spend £2.5m. on modernising its factory in Newcastle-upon-Tyne. The expansion, which will take two years, could provide an extra 200 jobs.

The project will enable Michell's range of light metal bearings to be more competitive in overseas markets. About 23 per cent. of its sales are exported.

Investment rises in textile industry

BY RHYS DAVID

THE TEXTILE industry, often accused of failure to modernise, emerges with a stronger record for investment than manufacturing industry as a whole over the last 10 years in a report by the National Economic Development Committee joint textile committee.

The capital expenditure figures indicate that as a proportion of total manufacturing, textile investment rose from 6.5 per cent. in 1963 to 8.2 per cent. in 1973, falling to 7.4 per cent. in 1974, the first year of the world recession in the industry.

Output per head in the industry has remained poor, in textiles only 75 per cent. of that for all manufacturing in 1974; and in clothing 47 per cent. The industry has also evidently been making up for its lower output per head with lower wages.

made fibres, while cotton and allied textiles, traditionally the sector most vulnerable to imports, have recorded relative improvements in performance.

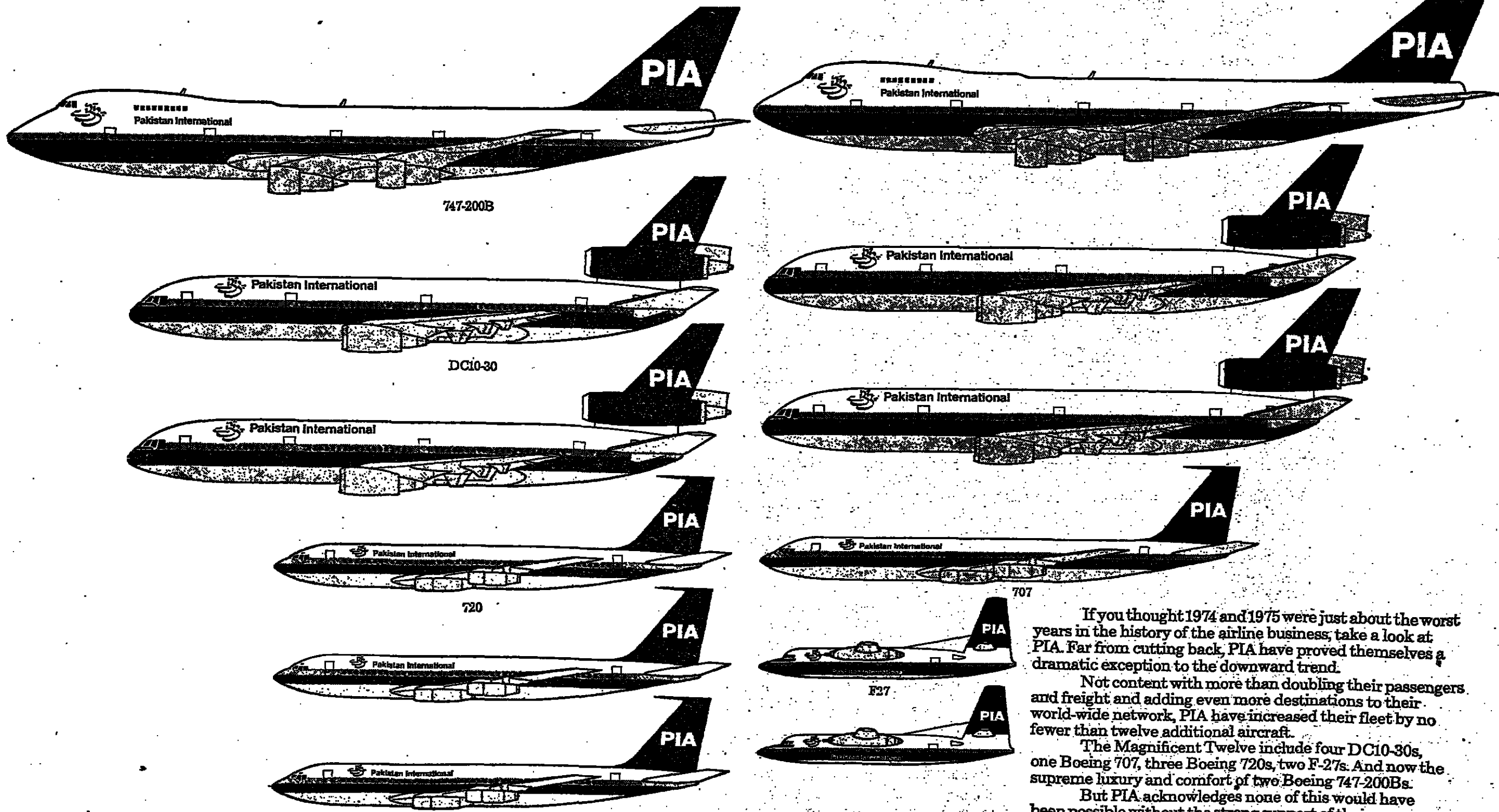
The report draws attention to substantial deterioration in Britain's clothing trade position in the last ten years. A favourable trade balance remains with only four main countries—Japan, Australia, the U.S. and Canada. The total deficit in 1975 was £340m. The clothing trade was roughly in balance in 1966, with only a modest deficit of £16m.

One important consequence of this is a substantial decline in the size of the industry. Net output as a percentage of all manufacturing fell in textiles from 7.3 per cent. in 1963 to 5.7 per cent. in 1974 and in clothing from 2.6 per cent. to 2.1 per cent. Employment fell from 9.4 per cent. of all manufacturing to 7.5 per cent. in textiles, and from 4.9 per cent. to 4.5 per cent. in clothing.

Textile Trends 1966-1975 NEDO, Millbank Tower, London SW1P 4QX. £2.02 (p+p).

Others cut back, we add 12 more aircraft.

(nothing succeeds like success.)



If you thought 1974 and 1975 were just about the worst years in the history of the airline business, take a look at PIA. Far from cutting back, PIA have proved themselves a dramatic exception to the downward trend.

Not content with more than doubling their passengers and freight and adding even more destinations to their world-wide network, PIA have increased their fleet by no fewer than twelve additional aircraft.

The Magnificent Twelve include four DC10-30s, one Boeing 707, three Boeing 720s, two F-27s. And now the supreme luxury and comfort of two Boeing 747-200Bs.

But PIA acknowledges none of this would have been possible without the strong support of their passengers. They can only say—thank you for your confidence!

PIA
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Great people to fly with

NEWS

Scotland 'could forfeit progress in recovery'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SCOTLAND could forfeit some of the progress made in closing the economic gap with the rest of the U.K. as it lags behind in recovery from the recession, a Government report suggests.

The Scottish Office economic bulletin confirms the assessment published earlier this week by the Fraser of Allander Institute that traditional industries such as shipbuilding and construction are not responding as easily to the improvement in the economy as their counterparts in England.

The extent of the gains made by Scotland in catching up on the U.K. average over recent years is illustrated by a new index of industrial production, published in the bulletin for the first time.

But the likely fallbacks are illustrated by the Scottish

unemployment rate, which although it closed to only 0.9 per cent. higher than the U.K. rate between August 1975 and February, was 1.2 per cent. higher by May.

Throughout the recession, Scotland was cushioned from the worst of its effects by the North Sea oil industry. Scottish gross domestic product is estimated to have grown 1.1 per cent. faster than the U.K. in 1975 and growth continued at a slightly higher rate in 1976.

The investment was also stronger for the first three-quarters of 1975. Scotland's manufacturing investment held up better than that of the U.K.

Oil also provided employment, but the present total of more than 50,000 jobs is thought by some to be a peak. Oil jobs

could fall as the emphasis in the oil industry changes from construction to maintenance.

However, Scottish Office economists take a less pessimistic view of the investment intentions of Scottish private industry than was taken by the Fraser Institute.

The Government hopes for a sharp recovery later this year, particularly in metals and metal manufacturing, textiles, chemicals and electrical engineering.

It is also pointed out that weaker industries, such as shipbuilding and vehicle manufacturing have received a fillip with Chrysler's orders from Europe and Iran and the orders won by Scott Lithgow and Govan Shipbuilders.

Energy figures reflect recovery

By Ray Dafer, Energy Correspondent

TOTAL ENERGY consumption in Britain is on the increase again, an indicator of improved economic activity.

Energy use, on a heat supplied basis, was nearly 2.5 per cent. higher in the first quarter than the corresponding period last year. The level of domestic use was virtually unchanged while industries, other than iron and steel manufacturers, increased their total consumption by nearly 4.5 per cent.

Seasonally adjusted and temperature corrected, total consumption in the March-May quarter was marginally higher than last year at 329.5m. tons of coal equivalent.

Total sales of gas in the first quarter were 8.5 per cent. higher than last year. Each of the consuming sectors increased their output; sales to the iron and steel industry increased by 7 per cent. while sales to other industrial markets rose by 12 per cent.

Gas sales up

Gas sales to commercial and other non-industrial consumers rose by over a fifth. Although the quarter was slightly colder than the previous year, domestic consumers took only about 3 per cent. more.

Output of deep-mined coal in the first six months, on the other hand, was 4m. tons less than in the corresponding period of 1975, a decline of over 6.5 per cent.

Consumption by power stations rose by nearly 3.5 per cent. but this was against a background of falling consumption in all other sectors. Total coal consumption was lower by nearly 1.5 per cent. compared with the first half of 1975.

Total electricity sales in the first quarter stabilised at the level of a year ago, in contrast to the falling sales of the previous two quarters.

Transport plans not economic reality, says motor industry

BY KEVIN DONE, INDUSTRIAL STAFF

THE GOVERNMENT is putting environmental and railway protection before economic reality, the motor industry said yesterday in response to the recently published Transport Policy Consultation Document.

In a joint statement the Society of Motor Manufacturers and Traders, the Motor Agents Association and the Scottish Motor Trade Association said the time for setting such priorities was "when the country is once again prosperous, internationally competitive and providing full employment—not at the present time when none of these conditions is fully met."

Commenting on British Rail's accounts for 1975, the SMAT said that in no way could the country afford to continue paying a subsidy of £2.165 for each BR employee for the railways to carry only 8 per cent. of the country's passenger traffic at a 8 per cent. of its freight.

In its memorandum, the motor industry calls for the completion of a "sensible" modern primary road system in and between urban areas. There was an essential national need of such a system to serve the ports.

The country could not now afford to distort the economies of transport in order to prop up systems which were not viable.

"British Rail must break even on freight and passenger services without subsidies or artificial accounting."

The motor industry strongly criticised the Government's plans to shift the emphasis of public spending towards supporting public transport systems which carry only "a relatively small part of the passenger and goods traffic."

The Inland Waterways Association says in its submission that the Consultation Document did nothing to encourage the introduction of a co-ordinated and economically rational transport system in Britain.

"It has selected and interpreted data to justify preconceived policies rather than presenting all available data

enabling policy options to be considered.

"Transport in this country is subject to an incoherent and unsystematic mass of subsidies and cross-subsidies that collectively do little or nothing to promote a coherent and rational transport policy."

The IWA deplored the fact that the document failed to recognise the relationship between inland, coastal and maritime shipping and the technological developments in these fields.

It is in favour of the proposed merger of the British Waterways Board with a new National Water Authority, but only if a National Navigation Authority is established under the NWA.

The City of Westminster Chamber of Commerce claims

that the Government has sadly neglected international transport in its review. The difficulties involved in moving goods to and from the U.K. places was at a disadvantage in the international market. "This will have adverse effects on earnings and employment," it warns.

The London Transport Passenger Committee says in its evidence that the number of passengers using buses and trains could slump alarmingly unless higher fares were earlier and the Government was prepared to increase subsidies for public transport.

"Higher fares will mean car owners will desert public transport altogether and those without cars will simply not travel. The social consequences of employment could be serious."

Trunk road plan deferred

THE BASIC network of 3,100 miles of high-quality trunk roads planned for England will not now be completed until the mid-1980s, a report to the Government said yesterday.

The report came from Mr. Peter Shore, Environment Secretary who said the slowdown was because of cuts in spending. About 2,000 miles of the strategic network has already been built or improved, and that included about two-thirds of the total planned motorway system.

Because of the spending cuts, an increasing proportion of schemes in the national road programme would in future be improvements to existing roads, with more importance attached to environmental gains.

Changes in the maintenance programme for trunk roads had also been made because of the cut-down in available cash.

The impact would be greatest on roads where traffic was relatively light, and would chiefly affect riding quality, footpath maintenance and overall appearance.

Bond film move fails

A judge yesterday refused to release in 1963, had been plagiarised.

Scotland's tourists

Tourists spent a record £260m. in Scotland last year—£50m. more than the year before. The figures, however, had a "dramatic effect" in attracting overseas visitors, Mr. Robin Maclellan, chairman of the Scottish Tourist Board said.

Scotland's NHS

The cost of the National Health Service in Scotland has risen by more than one-third in a year. Official figures show that the total net cost of the service in the 1974-75 financial year was £448m.

More brick produced in June

BRICK PRODUCTION rose June to 487m. an increase of 40m. on May and 65m. on June 1975.

Provisional figures from the Department of the Environment show that as production rose did deliveries, from 481m. May to 510m. against 497m. earlier. At the end of stocks amounted to 471m., 23m. from May and a reduction on June last year.

After seasonal adjustment June production was 2 per cent. down on May, but 10 per cent. better than a year earlier, the same basis deliveries 5 per cent. down on May 1975, but 10 per cent. lower than in 1975.

The Department says average weekly output in June was 32,800 tonnes, an increase of 1,200 tonnes on the previous month and 3,100 tonnes 12 months earlier. Deliveries to the home market in June reached 22m., of 23m. from the previous month and from June last year.

At end June cement stocks amounted to 37,000 tonnes, an increase of 2,000 tonnes on May 1976, higher in June 1975.

Seasonally adjusted, deliveries in June were 10 per cent. lower than a year

Manufacturing leads in race to go metric

By Our Midlands Correspondent

MANUFACTURING industry by the construction, cable and metal sectors has been quicker to go metric than the retail sector, according to Mr. Norman Fox, a direct sales manager.

When metrication was first introduced in 1965, a ten-year programme was embarked on which was not until 1985 that it was under way and we had as though it could take more years.

Mr. John Fraser, Minis Press and Consumer Products, visited Avery's factory at Wick yesterday, to study a number of the difficulties in the field. He later said that executives aspects of changeover problems.

Care. That's what saving with the Halifax is all about.



Your children learn a little more each day. A day's sightseeing, a trip to the zoo—it's very satisfying to know you're helping widen their experience.

But there's even more contentment in the knowledge that they've got Halifax security behind them.

Saving with the Halifax is so easy. You can choose confidently from a number of schemes. All offering an attractive return with a high degree of security.

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ELECTRICITY COUNCIL AND CEBG MAKE PROFITS

Better figures expected this year: Sir Peter Menzies

BY ARTHUR SMITH

THE ELECTRICITY Council expects to increase profits this year, despite sluggish sales, Sir Peter Menzies, chairman, said in London yesterday.

He was commenting on the Council's results for the year to March 31 this year, which showed a profit after interest of £85m., compared with a loss of £265.3m. for the previous year.

In relation to the £3.49bn. turnover of the industry, the profit represented little more than break-even, but it was nevertheless an important step towards establishing a settled financial framework.

Sales down

Sales of electricity last year, at just over 1,800bn. units, were 3.3 per cent. down on the previous year. Sir Peter attributed the downturn to the combined effects of economic recession, lower industrial activity, higher prices and the energy conservation programme.

The Electricity Council, under the federal structure of electricity supply, buys power from the Central Electricity Generating Board for resale to the area boards of England and Wales. Scotland has its own two boards which report separately.

The CEBG made a net profit last year of £50m. after paying £273m. in interest charges. Sir Arthur Hawkins, Board chairman, told a London Press conference that the results were more significant as they followed two years of losses and were made against strong odds.

"Our sales of electricity fell away so sharply that many power stations had no need to operate even during the peak winter months. This situation was without precedent in the history of the electricity supply industry in England and Wales."

The slump posed a threat to profitability and effective measures had to be taken to combat the pressures of a contracting market. Improvement in the fuel-burning efficiency of coal and oil-fired power stations saved around £30m.

Achievement

"To end the year selling less electricity than we did three years previously, but improving on the net profit planned for 1975-76, is no mean achievement," Sir Arthur maintained.

The CEBG was also encouraged by the fact that the rate of increase in electricity production costs was falling. "During 1974-75 the cost of producing a unit of electricity rose by 36 per cent.; in 1975-76 by 25 per cent.; and in the 12 months to next March we hope to limit the increase to less than 15 per cent. —provided, of course, that power station fuel prices do not leap up again."



Sir Arthur Hawkins — no case for new power stations.

Around 10 per cent. of the forecast increase in the cost per unit in the current year was based upon fuel price rises.

"I trust that the good news about electricity production costs will not encourage our fuel suppliers to think that we are ripe for further price increases," Sir Arthur said.

NCB coal was, on average, cheaper for producing electricity than oil. As a result, the CEBG expected to burn about 69m. tonnes of coal in the current year—an increase of 6m. tonnes since 1972-73.

Coal stocks at power stations had been built up to record levels and by the start of next winter would total around 20m. tonnes, or about 13 weeks' supply.

The CEBG forecast for bulk electricity sales this year suggests little growth, but Sir Arthur said both demand and energy consumption trends turned round in May to show

a small increase over the levels 12 months earlier. This had been repeated in June, but such trends had to be treated with some caution.

"I must make it plain that the Board sees no prospect of a sudden take-off in demand. Consumption is likely to stabilise and then grow slowly over the next seven years," Sir Arthur said.

These costs could not point where tariffs would be so increased that it impose a totally unjust on good payers."

Electricity Council, 30, Millbank, London W8 5TL.

CEBG annual report, Sudbury House, 15, Street, London ECL4

ELECTRICITY COUNCIL RESULTS

	1975-76	1974-75
Income	£m. 3,277.7	2,450
Expenditure	2,843.8	2,335
Operating profit	433	120
Interest charges	404.5	385
Profit (or loss)	8.5	(-265)

The Technical Page

BY ARTHUR BENNETT AND TED SCHOETERS

ATA PROCESSING

itch venture into Britain

FILE FOR the study by name of Geveke Electronics and its subsidiaries on Automation to sell and support the of the House is the initially, a number of well-known products in peripherals, but thereafter whatever the market appears to need.

The world market for computers and ancillaries in 1976 was put at \$4bn. of which peripherals of various kinds would account for about 30 per cent. or \$1.2bn. At the same time, there is a growing and not easy to estimate market for peripherals for minis and micros and since the latter are making inroads into the big computer market, that major computer companies are not prepared to evaluate as an area into new areas that no one has yet been able to analyse other than superficially, it is not possible to quarrel with the SHV decision to go for this or any other area of advanced technology on the contrary. But imagination fails as to what would be said and written in Britain should the NCB, or BR, or CEB launch out in the same way. Nevertheless, growth in peripherals is probably of the order of 20 per cent. a year in Europe and the U.S.

Geveke is supporting Diabolo, Teletype and Scope Data in the U.K. under the

condition is better than 20 milliseconds. A thyristor chopper circuit is used in which static switches are turned on and off at high frequency. Comprehensive filtering is provided to nullify both the switching frequency and other interference in the output waveform.

Initially available in single phase only, the regulators are offered with 10, 20, 50 and 100 kVA ratings. All are 1500 mm high and vary in depth from 600 to 140 mm square. More on 0923 27755.

INSTRUMENTS

Shows tape problems

MAGNETIC TAPE tension gauges introduced by Crow of Reading can be used on most makes of video and audio tape transports and measuring both static and dynamic response can be used to clear up horizontal instability in video systems and wow or flutter in audio equipment.

Rugged but high accuracy mechanical gauges, the standard models are suitable for tape widths from 1 to one inch; others can deal with tape up to two inches or applications requiring damped response or small physical dimensions. Individual models cover tension ranges from 0 to 140 gm, 0 to 340 gm and 0 to 600 gm. Temperature and humidity have only a small effect on accuracy which is better than five per cent.

The shock protected and balanced mechanism allows the unit to be used in any position. More from P.O. Box 56, Reading RG1 2NB (0734 596025).

ELECTRONICS

Controller of engine is digital

DIGITAL engine controls by Lucas Aerospace have begun flying tests on Concorde 202 at Fairford. The system has been fitted to one of the supersonic transport's Olympus 593 engines, and the first flight at the beginning of the month is believed to be the first instance of the use of such equipment anywhere.

At present, the Lucas system, which is known as the General Purpose Digital Control Unit (GPDC), is being used to control fuel flow and jet efflux nozzle of one engine, but is designed to handle all parameters of power plant management such as variable intake geometry, reheat, and noise abatement.

Ultimately, the adoption of digital control systems could reduce the amount of hardware (or "black boxes") required to control an advanced technology aeroengine by a significant margin, and provide more reliability while allowing optimum engine running throughout the flight envelope to more critical margins.

Modifications to the control system due to engine development become much simpler and more economical because changes in the parameters are more easily accommodated by altering the software program in the digital controls, whereas changes to conventional control units have to be much more physical and mechanical.

A further major advantage is that the unit can be interrogated on landing in order to provide valuable in-flight performance data for future planning and servicing requirements.

The Lucas GPDC can also be easily tested. It has its own diagnostic capability; any malfunction in the unit being shown up on the control panel. Other characteristics are accuracy in repeatability of performance, and ease of component replacement.

The Lucas system was developed as part of a joint programme with Rolls-Royce (1971), Bristol Engines Division, and the Ministry of Defence, and flown with the co-operation of the British Aircraft Corporation, Lucas Aerospace, Maylands Avenue, Hemel Hempstead, Herts HP2 4SP, Hemel Hempstead (0442) 2233.

Report on real time

WITH OVER 400 pages of technical discussions and 19 invited papers from real-time software experts, the latest in fotech "State of the Art" report is a valuable reference for anyone concerned with the design or implementation of real-time systems.

All aspects of real time software are covered, including operating system design, distributed processing methods, the evaluation of available TP monitors for IBM systems, software performance and reliability criteria, a discussion on the nature of real-time languages and the overall business and systems objectives which must be met by a real-time system.

Theoretical requirements of real-time software are considered but emphasis is placed on the practical experiences of users and manufacturers. Products discussed include the ICL 2900 series, IBM 360/370 systems, the Univac RTOS real time operating system, Honeywell's TDS transaction driven system and TP monitors such as IBM's CICS and Altergo's Shadow. West from Westinghouse, Intercomm and Minicom from GTE, Cincom's Environ/1 and TaskMaster (marketed in the U.K. by Hoskyns Systems), Interco, S/10, Kew Foot Road, Richmond, (01-948 2292.)

Geveke Electronics and Automation, 19/20 The Broadway, Woking, Surrey, 04562 71337.

METALWORKING

Diamond renovates carbide die

MAINTENANCE of the tungsten carbide dies used in the wire-drawing industry is made much simpler through the use of the equipment shown diagrammatically here. It is an ultrasonic "die-ripping" or cleaning machine which combines ultrasonic vibration and rotational movement by a diamond-plated ripping nib to achieve extremely fast operation.

A rising worktable that carries the die rotates in the opposite sense and cooling oil is fed between the nib and the die to achieve, through cavitation, removal of debris and some assistance in the cleaning action.

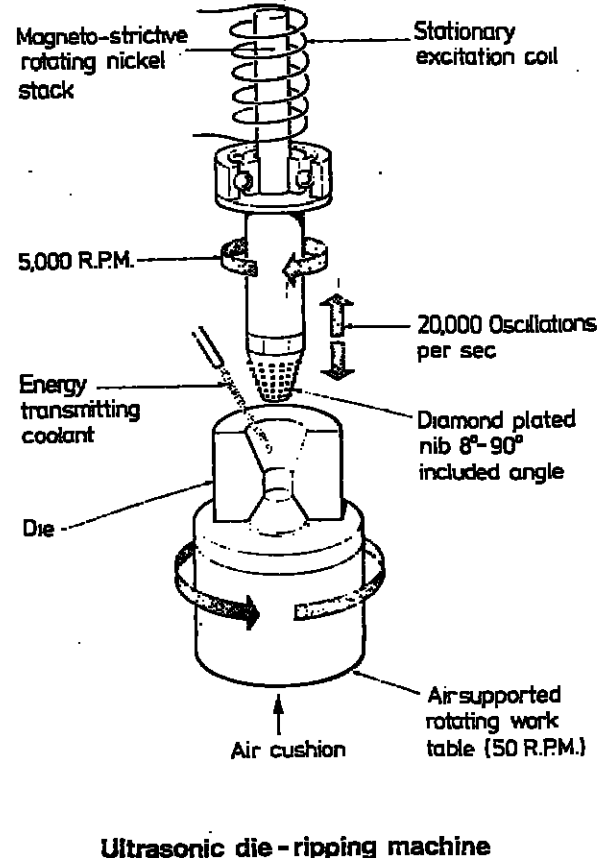
Compact and readily transportable, the machine is in two parts—the ripping assembly with its rising table and nib lay-out and a separate mains-driven generator/control.

Several shapes of nib are available to make it possible to work on dies to any required reduction or exit angle between 8 and 90 degrees while bores from 0.5 to 10.5 mm. can be handled.

Because the machine is simple to understand and use it can be applied by an unskilled operator to renovate a die in a fraction of the time needed with conventional methods.

Engis of Park Wood Trading Estate, Maidstone, Kent ME15 9NJ, Maidstone SE20 7, is building the equipment, basing several of the ideas incorporated in it on work originally carried out at Harwell for laboratory use and subsequently patented and licensed.

Patents inquiries should go to Mr. J. Gay, Marketing and Sales Department, AERE Harwell, Oxon OX11 0RA. 0235 24141. Ext. 2619.



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COMPONENTS

Long life ink rollers

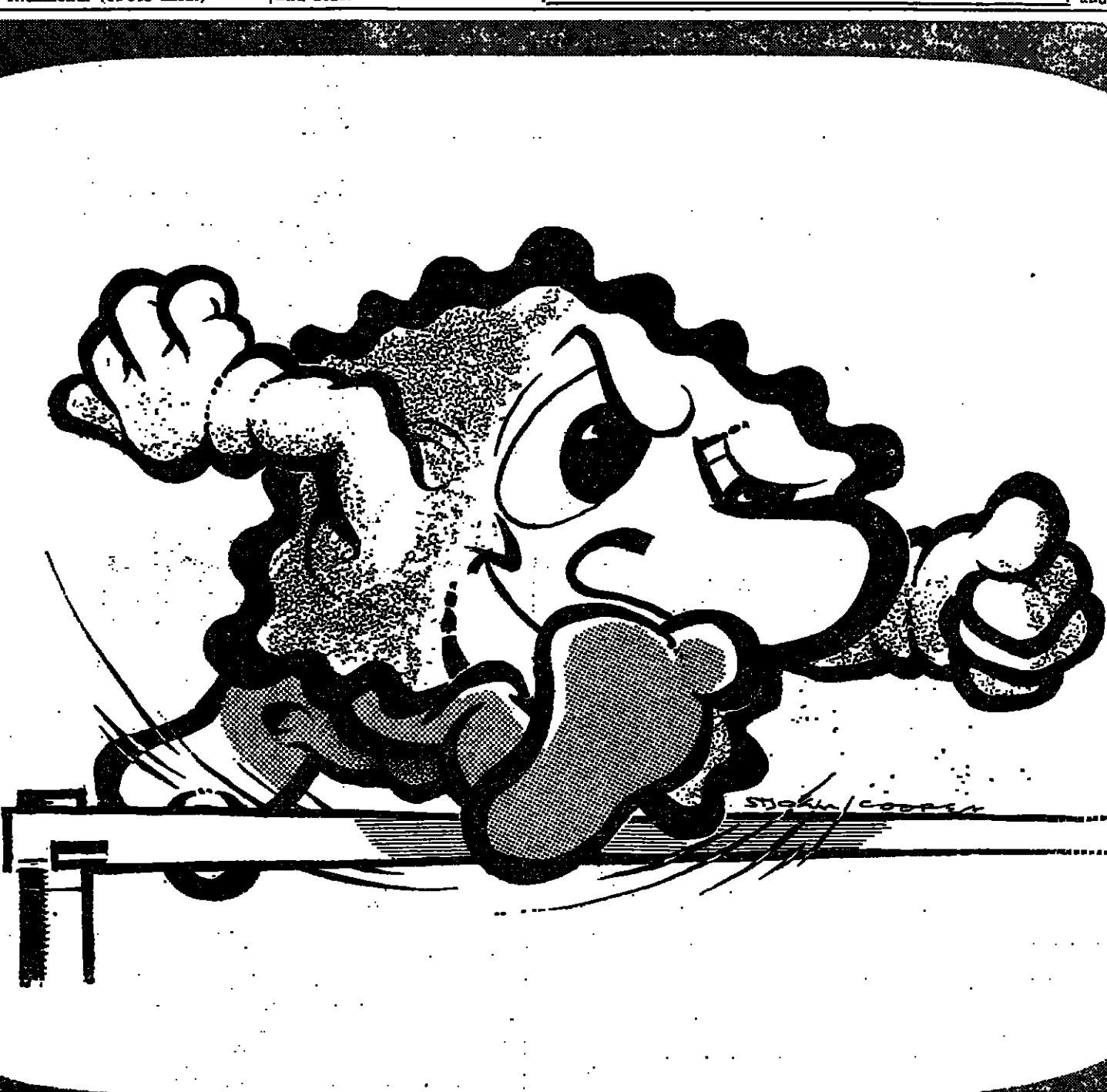
CERAMIC COATED rollers for the application of ink, and other fluids, are being produced by the Roehlen Division, Standex International, Ashton Road, Bredbury, Stockport, Cheshire, SK8 2RD (061-430 6815).

Using plasma-spraying equipment, ceramic is deposited on a plain base-roller to give a random textured surface capable of transferring fluids to a printing roller, or directly on to sheet materials. The roughness of the ceramic surface can be controlled to give different fluid transfer weights.

Compared with the conventional engraved applicator rollers produced by the company, it is expected that the ceramic coated rollers will give five times the working life.

They cannot offer the precise control obtained with an engraved roller, although the random ceramic surface does offer the advantage of freedom from striation. Initial cost is higher than for an engraved roller.

Applications are likely to be in the printing of cartons, labels and paper sacks.



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Grilled Cod Fillets	6 calories per penny

These figures are based on (1) the calorific values given in 'The Composition of Foods', published by HMSO in the Medical Research Council, and (2) the Average Retail Food Prices in the United Kingdom for 10th May, 1976, published by the Department of Prices and Consumer Protection.

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The Property Market

Super-shops well on schedule

PROGRESS ON one of the latest of Britain's newest and most adventurous "super shopping" complexes is well on schedule at Milton Keynes. Buckinghamshire's new town just off the M1 motorway.

The centre, parts of which should be open to the public in mid-1978, will be one of the largest covered shopping areas in Europe and represents an interesting addition to the new generation of shopping developments now springing up in the U.K.

The £24m. building itself is being financed by the Post Office Staff Superannuation Fund and when investment in roads, car parking and other services are taken into account the total cost of the project will be close on £36m.

The centre will offer 1m. sq. ft. of space for letting with over 170 shop units sited in 14 covered arcades. Just over 70 shops have already been com-

pleted. An entertainment area will provide a night club, restaurant and cinema. Although it is early days, letting agents Healey and Baker are apparently happy with the rate of take-up and inquiries so far.

Phase Three of the development, which is not due for opening until the autumn of 1979, will be completely accounted for by the John Lewis Partnership which plans a store with just over 100,000 sq. ft. of selling space, marginally larger than its Brent Cross outlet.

Stores One and Two will accommodate names like the London Co-operative Society (170,000 square feet), Boots (85,000 square feet) and Woolworth (170,000 square feet). Bishops and Wainwright, the latter a part of the John Lewis Partnership, will also be having super-markets on site.

The big disappointment, apparently, is that Marks and

Spencer, which manages to give the final seal of approval to any development by deciding to take space, is not going ahead with a store, at least at this stage.

With the Milton Keynes Development Corporation as landlord, a rather wider range of rental agreements than normal is available in the shopping complex and tenants are making use of them. Retailers can opt for a straight rack rent, take a premium for a ground rent or, as in the case of John Lewis, have rental charges geared to turnover.

First designated as a new town in 1967, Milton Keynes covers 36 square miles and embraces three existing population centres, Bletchley, Wolverton and Stony Stratford, as well as 13 villages. Designed to help relieve the housing and jobs problems of London, the town now has a population of 72,000, estimated to rise to 250,000 by the mid-1980s, although the latest indications are that the figures are running a little behind schedule.

The new £24m. building forms part of an overall shopping strategy for the area, which provides local shopping on each estate, together with district shopping centres based on the three main towns. The new central complex will be designed to attract shoppers from the entire new town region.

This week also saw the handing over to the Corporation of Lloyds Court, the first commercial development to be completed in central Milton Keynes. The centre is next door to the new shopping complex and provides over 100,000 square feet of floor space.



New Chatsworth House for Australians

The Australian Consulate is among new tenants of recently completed Chatsworth House in Manchester. G.U.S. Property Management, the property investment and development subsidiary of Great Universal Stores, has let practically all the 55,000 sq. ft. of office and showroom accommodation in one of the city's newest buildings. Other tenants include Kodak and Kennedy and Donkin, a local consulting engineering practice. Only 2,900 sq. ft. now remains. W. H. Robinson and Edward Erdman acted for G.U.S. Property Management in the letting.

Pension funds look to farms

THE PROPERTY Unit Trusts Group, a pioneer of the pension fund movement into property, is launching a separate agricultural unit trust to meet what it believes are the special requirements of pension funds wishing to invest in this field.

The group says that the development will prove to be significant because more institutional investors are expected in this sector in future and the emergence of Capital Transfer Tax will make it essential for funds to come from other sources.

About 40,000 acres of farmland have been acquired by the group in the last eight years involving some £18m. of funds. The new Agricultural Property Unit Trust will enable pension funds to invest in farming property on a co-operative basis without involvement in the problems of acquisition or management.

The investment policy will be directed towards the ownership of land in carefully selected areas. Some of the farms will be let to tenants, some operated in partnership with an established farmer and others farmed directly in hand.

The group says that investment in agricultural land has an impressive record and rents of good-quality spreads have risen steadily over the past 20 years at a rate of more than 10 per cent. a year.

Direct farming prospects are bright, as well. British commodity prices are slowly coming into line with EEC levels and, although costs are rising with inflation, it should be possible to secure a return on working capital of between 12 and 20 per cent. taking one year with another.

Save and Prosper sees sound market ahead

A POINTER to the way in which the market can be expected to move over the next year came this week with the annual report of the Save and Prosper Property Fund.

With the sharp fluctuations of 1972 to 1974 now a matter of history, the fund's managers say they hope the market now comprises "more experienced and responsible investors" and that the excesses of the past can be avoided. Yields, they trust, will not be chased down to the low levels of three years ago.

Save and Prosper says that with an increasing number of institutions now deciding to invest directly in property, demand for medium-sized properties is likely to be maintained and its own investment programme will continue to concentrate in this area.

The fund now owns 64 separate properties throughout Britain and in Belgium, with an average value of £371,000. The majority of these are medium sized.

The largest property on the books is Milton House in Sheffield, which represented 8.4 per cent. of the fund's value in May. Nearly all the properties are subject to five- or seven-year rent reviews and the majority of these will occur between 1978 and 1981 when attainable rent levels are expected to reflect space shortages because of the lack of new development.

The market, according to Save and Prosper, is now dominated mainly by institutional investors, most of whom are looking for long-term growth. While the economic recession has virtually stopped new

development activity, demand for new accommodation has slackened and the situation has been further aggravated by uncertainty caused by recent legislation. The resulting reduction of finance has removed a large number of developers from the market.

The supply of prime properties available for purchase has been squeezed particularly hard and competition between investors has been partly responsible for bringing down yields. For example the acceptable level of yields for prime rack-rented shops and offices has fallen from around 7.5 per cent. to 6 per cent. or below.

The fund's managers say that the more settled outlook for the property market, combined with the volume of institutional money seeking a way into property, should mean a sound market over the next 12 months.

Further interest in reversionary property, where the market has been slower to respond than anticipated, along with a start on some projects by institutions, are expected.

In the year to mid-May, the Save and Prosper's value increased from £21.8m. to £26.2m.

Haslemere Estates has acquired two London office buildings which are to be modernised before letting out. The first, 17, Tokenhouse Yard and 3-4, Kings Arms Yard, adjoins the Bank of England and has been bought in conjunction with Refuge Assurance. Improvements already started and the building will provide 25,000 square feet of office space.

OUT AND ABOUT

● Trafalgar House Investments has acquired Wine Office Court, a development site in the City lying vacant for over ten years. The new building, which has been pre-let, will provide over 130,000 square feet of lettable space when development is completed in 1979. The £8m. building contract has gone to Trollope and Collis, a Trafalgar company.

● Slough Estates has let Phase One of its 12-acre site on the Bath Road at Slough in National Park. The 12-acre site, which provides nearly 85,000 square feet of floor space for the company's main

warehouse, distribution and service centre for the region. When fully developed, it will cover 250,000 square feet.

● Hodder and Stoughton, the publisher, will pay an exclusive annual rent of £22,500 for No. 47 Bedford Square, London, and not £51,500 as reported here two weeks ago. The company's new £3.5m. headquarters at Dunton Green in Kent are now operational. The old London headquarters, in Warwick Lane, has been sold for over £3m. to the Local Authorities' Mutual Invest-

ment Trust.

INDUSTRIAL AND BUSINESS PROPERTY

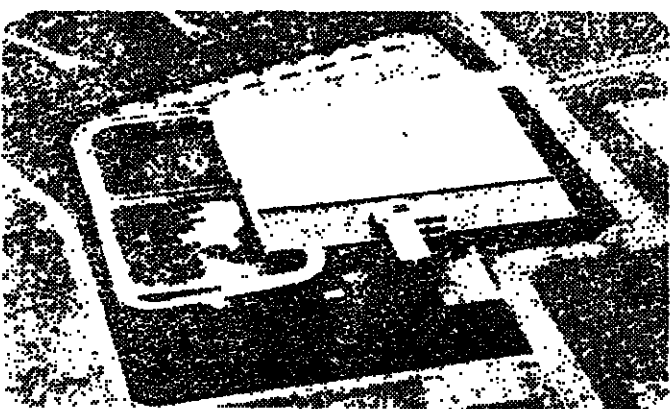
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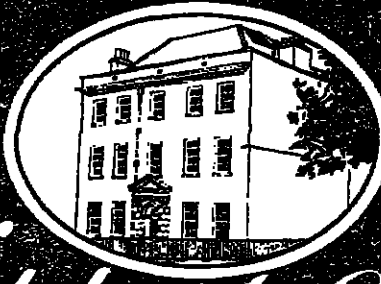


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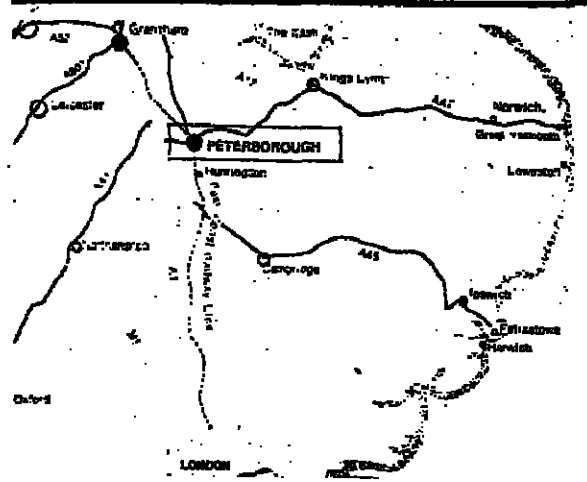
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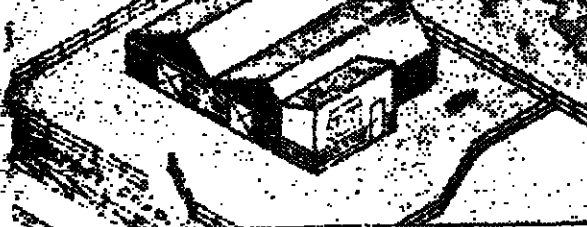
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40,000 sq. ft. 5.79 acres
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South-East England, modern leasehold works, equipped with range of sewing machines, button-holders, trimmers, vacuum ironing equipment, etc., plus range of fixtures and fittings, furniture.
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Historically producing profits before tax of £500,000 to £800,000 seeks a reverse situation with a small tidy public company.
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Large public company seeks to acquire Production and Packaging Unit in the North of England with departments concerned with fresh, frozen and processed meats. Ample funds available and confidentiality will be respected.
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WANTED TO PURCHASE
Small Manufacturing or Service Company with pre-tax profits c. £10,000-£20,000; south of M20. Private purchaser (35) will provide qualified, full-time continuing management.
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Kuwaiti businessman wishes to negotiate while in London for two weeks.
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Rees says Sinn Fein talks link is severed

THE GOVERNMENT'S talks with the Provisional Sinn Fein, the political wing of the Provisional IRA, ceased early this year. Mr. Merlyn Rees, Northern Ireland Secretary, said in the Commons yesterday.

No further talks were planned, Mr. Rees announced that he had signed an order excluding Sinn Fein President Mr. Rory O'Brady from the U.K. under the Prevention of Terrorism Act.

Answering questions on the security situation, he said that the order was concerned with the individual and not with the organisation.

The Act specified that people excluded should be, or should have been, concerned in the "commission, preparation, or investigation" of acts of terrorism. Mr. Rees said that fewer civilians had been killed in Ulster than in previous months, but bombing attacks had increased. Two members of the security forces had been killed by terrorists during the month, and 31 injured.

He disclosed that a stranger claiming to be a personal messenger from Provisional Sinn Fein vice-president David O'Connell, had approached him threatening increased violence if there was early political agreement within the parties.

Mr. Rees said: "The way in which terrorism and the rule of law is through the processes of the law. Recent disturbances among special category and remand prisoners, would not change the Government's decision to phase out 'special category' status."

"People should realise that men in Lond. Kesh and the Maze are there because they have been sentenced, and not through any act of mine. After March 1, they would serve their sentences in cells."

Mr. John Bigger-Davison, from the Opposition Front Bench, pledged support to the Government in ending special category status.

Mr. Enoch Powell, (UUC), Down S.I. said that the more fully it was understood that there was no question of the Government giving way, the less damage and destruction there would be.

Next week's business

COMMONS business next week is:

MONDAY: Debate on public expenditure; opposed private business.

TUESDAY: Bill, Rating (Charity Shops); Bill, Police Bill; and Local Government (Miscellaneous); Provisional Bill, motion on financial assistance to British Leyland; motion on sound broadcasting the Commons proceedings.

WEDNESDAY: Drought Bill, Consolidated Fund (Appropriation) Bill.

THURSDAY: Drought Bill.

FRIDAY: Adjournment debates.

Government can blame itself, say Tories

Labour MPs deplore pairing breakdown

By JOHN HUNT

A FURIOUS ROW broke out in the Commons yesterday over the Conservatives' refusal to enter into pairing arrangements for the third reading of the controversial Bill in nationalisation of the aircraft and shipbuilding industries.

Angry, Mr. George Cunningham (Lab., Edingburgh), and Mr. Finlayson (Lab., Glasgow) moved to force the House into private session by the ancient method of shouting "I spy strangers."

He claimed that as a result of the refusal by Mrs. Margaret Thatcher, the Opposition leader, to allow pairing, three extremely sick Labour MPs might die if they had to come to the House to vote in the crucial division.

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The House continued to discuss the matter in private. The last time such a device was adopted was in 1988 when Mr. George Wigg, now Lord Wigg, successfully moved such a motion on the Representation of the People Bill. On that occasion, the chamber was cleared for the rest of the day. In the early 1980s, Winston Churchill, then leader of the Opposition, unsuccessfully tried to use it to get a secret session of defence.

The row continued yesterday with Mr. Eric Heffer (Lab., Walton) in a reference to the Opposition leader alleging that this "fantastically difficult, serious, and inhuman problem" had arisen out of a decision by the "iron lady".

The Speaker again had to intervene as Conservative protesters drowned Mr. Heffer's words.

Mr. Heffer went on to call for a meeting of the Speaker's Conference to deal with the question. He added: "I have come to the conclusion that some of them do not give a damn about the lives of others."

He demanded that the problem should be solved in order to avoid MPs being brought to the House in a serious medical condition that could lead to the loss of their lives.

From the Opposition front bench, Mr. John Peyton, shadow Leader of the House, protested that some very damaging things had been said. He declared that it was the responsibility of the Government, Chief Whip to decide which MPs he had to bring to the House and which he did not.

Later, Mr. Bob Mellish (Lab., Bermondsey), the former Chief Whip of this party, suggested that sick MPs should be allowed to vote by proxy and that a motion to this effect should be brought before the House for a free vote.

Mr. Michael Foot, Leader of the House, agreed that this would be one solution to the problem. On separate points of order, other MPs protested that Mr. Gerald Kaufman, Minister of State for Industry, had misled the House in the previous night's debate in his reference to an industrial tribunal ruling concerning Bristol Channel Ship Repairs, the Cardiff company which had mounted a huge campaign to stave off being nationalised under the Bill.

In Wednesday night's debate, Mr. Kaufman had read a new paper, account stating that the company had been nationalised under the Bill.

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Cabinet lets Tories bat first

By Philip Rawstorne

THE GOVERNMENT yesterday appeared to have avoided the threat of an embarrassing party split in the Commons next week over its public expenditure cuts.

The Tory leader decided to table a motion that would prevent a Left-wing revolt, the Cabinet yesterday decided to transfer the dilemma to the Tories.

Conservative leaders were informed that the Government saw no reason to debate the public spending economies next week, leaving Mrs. Margaret Thatcher to decide whether to provide Opposition time for a debate or let the issue drop.

The Tory leader decided that the Opposition, which had been planning to attack the Government's increase in National Insurance contributions, had no case but to provide time for the debate on Monday.

The shadow Cabinet last night was trying to formulate a motion that would expose the differences within the Government by tempting Left-wing MPs to vote against the Government. But with Ministers reserving their right to table an amendment, it seemed unlikely that any form of words could be found to separate the Left-wing critics from the Government.

The Government's manoeuvre, which completely surprised Conservative leaders, was added advantage to Mr. Denis Healey, the Chancellor, who will now speak after the Opposition spokesman, Sir Geoffrey Howe, in the debate.

Mr. Thatcher taunted the Government in the Commons yesterday for its timidity in avoiding a vote on a Government motion after Mr. James Callaghan's boast that he would depend on Labour votes alone to endorse the Government's policies.

Mr. Michael Foot, Leader of the House, blandly retorted that the Government had acted merely to allow the Conservatives to express their views on the cuts "without obstruction or intrusion."

Some 78 Labour MPs have signed a Commons motion, similar to that passed by the party's National Executive on Wednesday attacking the Government cuts as likely to bring a major increase in unemployment, jeopardising the social contract and alienate Labour support in the country.

Mr. Stanley Clinton Davis, Trade Under-Secretary, said this would make it possible to frustrate the misuse of nominees. The new offence would lead to a prison sentence of up to two years on indictment, or a fine, or both. On summary conviction the maximum penalty would be six months imprisonment and or a £400 fine.

The Bill completed its committee stage.

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LABOUR NEWS

Foreman in poaching row urged to rejoin GMWU

By ROY ROGERS, LABOUR CORRESPONDENT

A POWER STATION foreman who was given notice of dismissal by the EPTU, Electricity Generating Board after resigning from one trade union and being thrown out of another, has been urged to rejoin his original union by the independent review committee.

In its first report the committee, set up under the Trade Union and Labour Relations Act to hear appeals from individuals who have been expelled from or refused admission to a union where membership is a condition of employment, suggests a compromise to what is a very delicate issue.

The GMWU had refused to accept Mr. Dennis's resignation because he was in arrears with his union contributions.

Mr. Dennis complained that after last year's resignation from the GMWU he joined the EPTU

although his membership was soon cancelled by the EPTU. This move, which led to Mr. Dennis receiving dismissal notice, was because the EPTU felt that by recruiting Mr. Dennis it was in breach of the "anti-poaching" procedure and the industry's closed shop agreement involving the GMWU, the EPTU and the Amalgamated Union of Engineering Workers.

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Mr. Dennis's resignation from the GMWU was a result of a settlement of the committee's findings, including: re-admission of Mr. Dennis into the GMWU without entrance fee or payment of arrears; acceptance into a GMWU branch other than the one he was in before his resignation; assurances from both unions that neither will seek to jeopardise his employment at the CEGB nor would they support industrial action should any arise as a result of this recommendation.

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Minimum wage spot checks

By Christian Tyler, Labour Staff

GOVERNMENT inspectors will be paying "blitz

The Management Page

EDITED BY JOHN ELLIOTT

WORKER DIRECTORS IN EUROPE

Little impact on decision making

STRONG RESERVATIONS significant because there is a likely outcome of its deliberations. The fact that both the academics see the TUC's proposals for a 50-50 split on the Board and for worker directors to be union based as essential, however, strengthens the TUC's hand despite the academics' more basic preference for collective bargaining.

The papers amount to a significant finding that worker directors may have only a "marginal impact" on decision making in a company and may do little to help enlarge industry democracy. Within a private enterprise oriented economy, they would in any case find it difficult to make headway. To have any chance of success they should have half the seats in a Boardroom, should be union based, and should be backed up by relaxed rules on company secrecy and strict definitions of directors' responsibilities.

Multi-nationals

Without such conditions worker directors are trivial in democratic terms. Even with such conditions the European experience suggests that conventional business interests will not be endangered," says Mr. Eric Balstone, research fellow at Warwick University, in one of the papers.

It may be thought that, no matter how well thought out the scheme, the full impact of employer representatives will be felt only if Government policy in other fields is conducive to corporate planning. This is not completely correct, says Mr. Balstone, as the reports do not therefore include any original research. Bullock Inquiry members have supplemented this with visits to Germany and Sweden.

In a preface to the reports, which were published yesterday, Lord Bullock, chairman of the Committee, says he hopes they will "stimulate public debate on industrial democracy." He adds a note that the reports reflect the views of the authors, not the "direction of the Board." This is specially

likely outcome of its deliberations. The fact that both the academics see the TUC's proposals for a 50-50 split on the Board and for worker directors to be union based as essential, however, strengthens the TUC's hand despite the academics' more basic preference for collective bargaining.

The most outspoken critique of worker directors comes in the report from Mr. Baistone, whose reservations reflect those in a book in which he was co-author on British Steel's worker director system called all or any of its power to committee of the Board or to one of its managing directors. "The Worker Directors: A committee of the Board or to one of its managing directors," he says, "have even to the exclusion of the Board's own competence in the delegated area." Such delega-

The Bullock Inquiry on industrial democracy is now beginning to prepare its report. Two specially commissioned research papers it has received are sceptical about the contribution that can be made by worker directors even if they have half the seats on a Board and are trade-union based.

executive second tier. This may lead the Committee to recommend adopting a formal two-tier system.

The research reports were specially commissioned by the Bullock Inquiry and the brief given to the two academics was to review and evaluate evidence already published on the working of industrial democracy in Europe, with particular reference to worker directors. The reports do not therefore include any original research. Bullock Inquiry members have supplemented this with visits to Germany and Sweden.

In a preface to the reports, which were published yesterday, Lord Bullock, chairman of the Committee, says he hopes they will "stimulate public debate on industrial democracy." He adds a note that the reports reflect the views of the authors, not the "direction of the Board." This is specially

have certainly had no catastrophic effect on anything or anybody, he says.

He points out how easy it is to limit the worker directors' impact by reducing the importance of the Board on which they sit. In Germany, supervisory Boards generally meet only about four times a year while in Sweden they assemble for a total of only between five and 15 hours a year. In the U.K., only 7 per cent of Boards surveyed in 1972 met more than once a month.

On the differences between two-tier and one-tier Board systems, Mr. Baistone concludes: "The distinction between a supervisory Board and a management Board is a difficult one to maintain in practice since the effective fulfilment of either role demands involvement in the other. More generally, unless a dominant shareholder becomes closely involved in management, the latter tend to dominate no matter what the structure of the company is. They do so because of their crucial role in handling uncertainty, controlling information, identifying problems and formulating policies. Protection of shareholder interests occurs primarily through the pressures of the market place and the interests and values of managers themselves."

On the same theme, Mr. Davies suggests that it is often difficult to tell whether any particular country's system is really one or two tier.

This means not that questions concerning the constitutional structures of companies are irrelevant to the worker representation debate, but that the important questions concern the distribution of the company's decision-making functions in the company and that these questions arise whether the

often includes formulating basic corporate strategy which can make senior management, even under the U.K. system, the third organ of the company.

Moreover, the actual distribution of function between the Board as such and senior management is perhaps not very different to that prescribed in German law between supervisory and managing Boards.

Mr. Davies stresses that the worker directors must have half the seats on the Board. He also notes a failure of many European laws to deal with the problem of Board committees and holding companies with few employees which can escape worker representation.

Company law

He warns that a 50-50 worker director system "is likely to involve profound changes in U.K. company law, notably an abrogation of the right of the shareholders to fix the distribution of decision making in the company in the articles of association." But, he adds, "European experience suggests that the employee representatives will be unable to stand out against the prevailing ideology of the shareholder, management representatives if they themselves are not grounded in the constituency whose interests they are there to promote."

Moreover, if employee representation on a Board is seen as complementary to collective bargaining and if it is thought advisable to avoid the possibilities of institutional rivalry, then a strong relationship between representatives and the trade unions recognised concern the distribution of the company's decision-making functions in the company and that these questions arise whether the

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CAR PRODUCTION

U.S. workers in favour of traditional assembly

BY NORRIS WILLATT

CONVENTIONAL theories that car workers dislike being employed on production lines and prefer the group working experiments of Swedish companies such as Volvo and Saab-Scania have been confounded by a dissenting report. It has been prepared following a visit by six American car workers to the Soderstam plant of Saab-Scania which assembles Saab 99 engines.

A majority of the workers said they preferred the traditional assembly line method of working and they also even claimed that Swedish and Finnish workers they met did too.

Of the six U.S. workers, three were from the Cadillac and one from the Pontiac divisions of General Motors, and the other two were employees of Ford and Chrysler. Two were women, and two were black. The trip was sponsored by the metropolitan office of the New York State school of industrial relations at Cornell University, with the co-operation of the Ford Foundation.

The Americans were integrated into groups of 18, working an 8½-hour shift, in a section where the task of each worker was determined by the autonomous decisions of the assembly team. The various tasks were rotated so that any one worker performs them all. They were also invited to participate in the works council and consultation groups in the section.

Pressures

In his report on the experience, Arthur S. Weinberg, co-ordinator of the worker exchange programme at Cornell, who was an observer with the team, concluded that in the area of group engine assembly, "the American reactions were negative and ran counter to expectations." The majority of the team felt that the pace and complexity of the work imposed psychological pressures which outweighed the benefits of variety in work. They compared the pace of work unfavorably with that in Detroit.

Only one of the workers, Ruth Russell, aged 33, considered the Saab approach

superior. She said that group working gave her a "greater feeling of accomplishment and a sense of doing something worthwhile." At Cadillac, she was used to performing a repetitive job—putting in head bolts. The other woman, Lynette Stewart, 20, acknowledged that the Swedish approach was challenging, and said at that time she preferred her work in Sweden.

But she added that in the long term life at Saab-Scania would probably be "just as boring," and that in her job at Cadillac she had time to study for evening classes, to laugh, fantasize, sing or dance, without impairing her work. The concentration needed at Soderstam allowed her to do none of these things. William Cox (33), a shop steward at Chrysler, voiced a similar reaction, saying he would prefer to work at the Swedish plant but only if he could work at his own pace.

The other three members of the team—Joseph Rodriguez (36) from Ford, William Gardner (41) from Pontiac, Herman Lommerse (53) from Cadillac—voiced more serious reservations. These older workers stressed such factors as the psychological pressure of stress and concentration, and the pressure to maintain the work pace of the group. Mr. Lommerse found it hardest to adjust, and was the most adamant in preferring the way things were done in Detroit.

The Americans further claimed that, having discussed the matter with local members of their groups, they formed the opinion that the latter also disliked the group approach. Most preferred the more casual pace of the assembly line and the only advantage they saw in group working was that it was built around a four-day week.

The visitors also considered that group working was generally regarded as undesirable throughout the total Saab-Scania work force of some 4,200. One reason expressed was that it was looked on as "women's work." The Americans were surprised to find that all those involved in group engine assembly were women, but the management explained that this was because

the four-day week allowed them to spend more time with their families.

The team recognised that group working offered certain advantages to management, especially when dealing with absenteeism. If one or more members of a team went sick or took leave, production need not be interrupted since the other members were able, for example, to perform all the operations of engine assembly.

Swedish

The Americans were also critical of work-place democracy in action. The Swedish workers described the meetings of works councils so that they sounded like "a mixture of a shareholders meeting and a general sales meeting."

The members of the team thought that the council members did not seem to be a representative sample of workers throughout the plant. They also found a "respectful" relationship between management and labour at works council meetings disturbing and lamented a lack of "a good grievance procedure."

Not all the reactions of the Americans were negative however. On the whole they considered the working conditions at Saab-Scania superior to those in Detroit on the working environment, noise levels, lighting and the quality of the air. Early in the programme a Swedish worker asked William Cox why he always seemed to be shouting. Cox replied that at Pontiac he had to shout in order to be heard. They also commented favourably on the leisurely work pace, and the chance to rotate tasks on the engine pre-assembly line where they underwent training before joining their groups.

But they returned home to Detroit with the firm impression that the groups offered no basic benefit to them as workers, compared with their way of working in Detroit, and were unimpressed by this one experiment in worker participation.

Work Attitudes and Job Design: A Case Study at Saab-Scania.

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Consolidated Statement of Condition, June 30, 1976

ASSETS	
Cash and Due from Banks	\$ 5,185,844,000
Interest Bearing Deposits with Banks	3,577,335,000
U. S. Government and Federal Agency Obligations	608,787,000
Obligations of States and Political Subdivisions	950,928,000
Other Securities	202,125,000
Total Securities	1,762,820,000
Loans	16,238,159,000
Federal Funds Sold and Securities Purchased under Agreements to Resell	138,350,000
Total Loans	16,374,509,000
Less: Reserve For Possible Loan Losses	(147,684,000)
Unearned Discount	(80,720,000)
Net Loans	16,146,105,000
Lease-Financing Receivables	720,936,000
Premises and Equipment	168,546,000
Customers' Liability on Acceptances	826,952,000
Accrued Interest Receivable	230,730,000
Other Assets	177,928,000
Total	\$28,797,196,000
LIABILITIES	
Demand Deposits	\$ 8,691,119,000
Savings Deposits	1,320,878,000
Other Time Deposits	5,486,261,000
Deposits in Overseas Offices	8,301,945,000
Total Deposits	23,800,203,000
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	1,245,694,000
Commercial Paper	627,476,000
Other Borrowed Funds	197,205,000
Acceptances	850,715,000
Accrued Taxes and Other Expenses	382,676,000
Dividend Payable	15,581,000
Other Liabilities	145,060,000
Long-Term Debt	495,776,000
SHAREHOLDERS' EQUITY	
Preferred Stock (without par value)	
Authorized—10,000,000 shares	
Outstanding—19,019 shares	951,000
Common Stock (par value \$7.50)	
Authorized—40,000,000 shares	
Outstanding—29,691,166 shares	222,684,000
Surplus	341,090,000
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Total	\$28,797,196,000

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FRIDAY, JULY 30, 1976

Trawling for staff cuts

OF ALL THE PROPOSALS for reducing public expenditure to reduce the Government's deficit, none is likely to arouse more popular acclaim than a cut in the size of the civil service. Doubtless Ministers had at least half an eye for this aspect when, conscious of the rate at which staff numbers in Whitehall had been allowed to grow since they took office, they decided that a reduction in the size of the public payroll should make a contribution to the £3bn. worth of spending cuts they were seeking last winter. The results—or at least those which have so far been announced—bear all the hallmarks of the manner in which this decision was reached.

Peripheral

To round off last winter's cuts Ministers called for a reduction in civil service staff costs amounting to £50m. in 1977-78 and £140m. in 1978-79. This would be additional to any savings that might emerge from a separate review of defence civilian staffs. At roughly £4,000 a head a year, including related administrative costs, it would mean eliminating some 13,500 jobs by 1977 and 35,000 by 1978. Most of these jobs had yet to be created, with natural wastage running at up to 40,000 a year, the targets seemed capable of achievement without involving too large a crop of compulsory redundancies. Together with a reduction of perhaps up to 20,000 in defence manpower, it was hoped that civil service would be brought back by 1978 to about its size last summer.

The time-scale was tight, too short in fact for the wide-ranging review of departmental work-loads—and the policies which gave rise to them—which the Civil Service Department believed was the only effective way of achieving a substantial reduction. Instead, a general trawl was mounted around Whitehall. Departments were invited to rank the options which could yield savings of 5, 10 and 15 per cent. in manpower. This yielded some instances of where administrative

Solicitors may now solicit

THE MONOPOLIES COMMISSION produced a general report on restrictive practices in the professions as far back as 1970. The main conclusion of which was that the Commission should be asked to consider the effect on the public interest of a number of particular professional restrictions. The professions are therefore being treated differently from the suppliers of commercial and financial services, who have this year had to register their restrictive practices for eventual adjudication by the Restrictive Practices Court.

This distinction of treatment may be justified partly on the grounds that certain professions have traditionally imposed strict rules on their members to preserve the reputation of the profession as a whole and the standard of service which its members provide, partly because certain professions do genuinely regard the inevitable commercial element in their business with the public to be of secondary importance. But since there is a commercial element and since the standard of professional services is as likely to be improved by greater competition as the standard of commercial services, the dividing-line must be blurred rather than definite and there must be a presumption that the Monopolies Commission will need to be thoroughly convinced of the case for exceptional treatment.

Advertising

The reports published yesterday, which are concerned with restrictions on individual advertising by members of the legal profession, illustrate this point clearly. The Commission found that the restrictions placed on advertising by barristers do not operate against the public interest for four reasons. First and most important, lay clients may not at present approach a barrister except through a solicitor and there is no reason to suppose that solicitors are inadequately informed about the field. Second, the restrictions do not deter new entrants; third, they

do not affect the efficiency of the profession; fourth, their existence does not encourage other means of attracting business or undermine public confidence in the profession. With solicitors themselves, however, the Commission found the case to be quite different. Restrictions on individual advertising, it found, prevent both the public and potential solicitors from acquiring adequate information about the services offered by individual firms. They are likely, as with all such restrictions, to discourage competition and efficiency, the introduction of new methods and the establishment of new practices. They may encourage other less open and more questionable methods of attracting business, and they have occasionally in England and Wales impeded the operation of law centres. The Commission therefore recommends that, subject to certain conditions, individual advertising should now be permitted.

Royal Commission

This recommendation, which follows a similar one last year in the case of individual advertising by accountants, has been accepted by the Government, and the Director General of Fair Trading will now discuss with the Law Society how the conditions of advertising proposed by the Commission can be formulated precisely. In such a way as to be enforceable through the disciplinary powers of the Council. It will be recalled that when the Commission earlier this month recommended the abolition of the "two-counsel rule" for barristers, the Bar Council promptly accepted its findings, and the Law Society is likely to do the same. It is arguable, however, that changes of this sort should be held over in case the Royal Commission which was announced early this year to conduct a major inquiry into the organisation of the legal profession should recommend much more far-reaching changes in its structure.

BY A PIECE of incredibly bad luck for the unfortunate folk of Seveso, near Milan, an event that chemists euphemistically call a "runaway reaction" has spread a particularly deadly chemical across their land. The bad luck for the victims is that the poison not only has no antidote, but its toxic mechanism is still not understood. Its full effects may not emerge for weeks or even for months.

A vast amount of quite misleading chemistry has been written about this week. The chemical itself is not a herbicide or indeed a commercial product of any kind. It has no known use beyond its curiosity value to toxicologists interested in how poisons work. It was probably made quite by accident when the reaction conditions in the process being used by Givaudan, a subsidiary of the Swiss pharmaceutical company, Hoffman-La Roche, ran out of control.

To start at the beginning, on Saturday July 10 workers at Givaudan's Icmesa chemical factory at Meda, six miles north of Milan, were filling tanks with sodium hydroxide, methanol, and tetrachlorobenzene, the basic ingredients for the trichlorophenol and derivatives produced by Icmesa. Trichlorophenol itself can be an intermediate step towards products such as herbicides and bactericides.

For some as yet unexplained reason the chemical reaction became too lively, released heat that the plant was not designed to take away, and so increased pressure levels beyond the 350 kilograms maximum pressure for which the safety valves were set. The upshot was a blast to atmosphere of an estimated 500 kilograms of vapour, composed principally of trichlorophenol but also including an estimated two kilograms of TCDD, TCDD (tetrachlorodibenzo-dioxin) is one of a chemical family (known as dioxins, which are virulent systematic poisons, although little enough is known about them beyond that.

According to Dr. Vittorio Careri, who is in charge of the hygiene department of the Lombardy Region Health Assessors, the vapour cloud rose into the air where it cooled and came down to rest in a cone-shaped area some two kilometres long and 700 metres wide. This area was inhabited by somewhat above 2,000 people. It has been divided into two zones. Zone A, immediately downwind of the plant, was inhabited by around 220 people who have all been evacuated. Nineteen of them, mostly children, are in hospital with lurid skin rashes on parts of the body exposed to the vapour and the sun. On July 12 (One hospital worker also has rashes on covered parts of the body.). All 220 folk from Zone A have been examined to date. The first reports that domestic organs as the liver, pancreas,

and kidneys, but so far "no appreciable deviation from the norm" has been noted. However, a total of 500 people have been found to be suffering from varying degrees of skin rash, accompanied in some cases by nausea, vomiting, and itching. The Italian authorities intend to evacuate between 300 and 500 people from Zone B before the week-end. But they are not yet sure about the exact limits of the polluted area as deaths of wild and domestic animals have also been reported from three or four different areas outside the two zones scattered within 10 kilometres downwind of the original leak. British scientists invited to Italy this week took with them gas

chromatographic methods of assay for TCDD which will help to delineate the full extent of the contamination. TCDD is insoluble in water and thus is unlikely to have been flushed down into the water table as a result of recent rains. But the Italian authorities admit to considerable ignorance still about the exact chemical composition of the vapour leak and the precise characteristics of the chemicals concerned. The timetable of events, according to the regional health authorities, is as follows: At 12.40 pm the "runaway" reaction takes place. Later in the afternoon a company director phones up local carabinieri to inform them Carabinieri and the local authorities of Meda issue a warning not to eat fruit or crops from the area around the factory. On July 12 the factory sends a formal letter to Meda and neighbouring Seveso local authorities. On Thursday, July 15, come the first reports that domestic

and wild animals are dying with blood running from mouth and nose. On the following day the first children with rashes go to hospital. Throughout the week, however, the 210 workers continue to clock in at the plant, even though soil and plant samples sent to the Zurich laboratories of Givaudan should have given the parent company an increasingly complete view of the potential dangers. According to information available to the Lombardy health authorities, the original tests were done on a "wipe test" which revealed the presence of TCDD—but only in infinitesimal amounts. The full degree of intoxication became apparent only when Givaudan

did the authorities swing into action. They ordered the immediate evacuation of Zone A, and had the military seal it off with barbed wire and set up a regional co-ordinating office. What the Italian authorities will now want to ask—and they have already been cabling the Health and Safety Executive in London with questions—is why Hoffman-La Roche and its subsidiary Givaudan were not wide awake from the outset to the possibility—however slight—that one of the most deadly toxins known might have been released in the accident. Both Britain and Germany have experience of accidents in the manufacture of herbicides in

using napalm to compose any TCDD containing zones A and B.

TCDD remains more than an academic curiosity for the toxicologists for it is still a trace impurity in the herbicides. Under pressure from regulatory authorities the chemical industry has made considerable strides in the amount remaining in the final product. In the for example, where as much as 47 parts per million was present in one of the defoliant agents (Orange) used in Vietnam, the U.S. Government now puts it at only 10ppm.

In the U.K., according to the Health and Safety Executive, Coalite is the only manufacturer to-day of a herbicide contaminated by TCDD. Its process has been modified since the explosion and now includes a "damp tank" into which the products of any runaway reaction at the crucial stage would automatically be safe-dumped. The factory experienced four cases of chloracne early last year in operating its new process. They were traced to a leaking vessel.

To return to Seveso, on Tuesday the case formally became one of national concern when Lombardy Regional President Cesare Ciarra met the Interior Minister, Cossiga in Rome to discuss the situation. It was at this level that the decision to bring in foreign experts like Mr. Don P. plant health expert from the British Ministry of Agriculture, Plant Pathology Laboratory, was taken. His contribution is expected to be advice on how to decontaminate and rehabilitate the affected area.

Yesterday the regional Health Assessor, Dr. Ippolito Rivolta, went to Rome for a meeting of the Parliamentary Health Committee. Meanwhile two working committees have been set up, one to collect and analyse samples for analysis, the second to establish a contamination and rehabilitation policy. The proposed use of flame-throwers to destroy up to has been rejected partly because of the danger of uncontrolled fires, but also because it is not at all clear whether really would in fact destroy chemicals concerned.

The main body of Italian dealing with chemicals dates back to 1934 and has never been completely updated. The lack of adequate legislation has added to the difficulty of keeping track of new process technology. The Italian Chemical Workers' Union has long been battling for higher health standards, but Italy seems to be unusually lax about chemical processes that are either not allowed or hedged around with far more stringent safety regulations elsewhere in Europe.

which TCDD has been released—and the British accident has been well documented in the medical press. In 1968 Coalite and Chemical Products, at its fine chemicals unit at Bolsover, suffered an explosion in a pilot plant making two grades of 2, 4, 5-trichlorophenol, one used as a herbicide, the other to make the drug hexachlorophene. It turned out to be a double explosion, in which first a "runaway reaction" occurred and ruptured the vessel, so releasing vapours which, when mixed with air, became explosive and were ignited by an overhead electric light. This explosion was violent enough to blow out one wall of the building, killing a chemist supervising the process.

There were 14 other employees in the building at the time. The unit was closed and the employees examined, with results which, to quote Dr. George May, the company's medical consultant, "persuaded us to treat the incident with extreme caution." But ten

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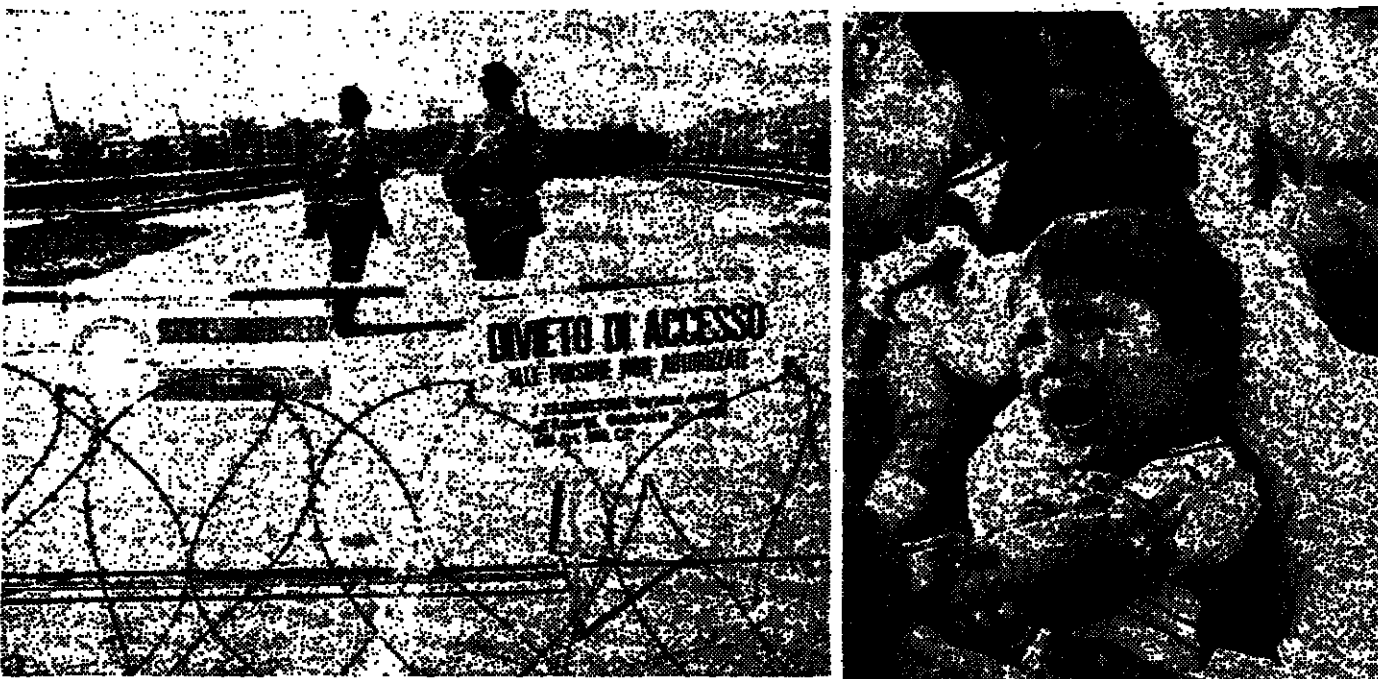
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The poisonous cloud of Seveso

By David Fishlock in London and Anthony Robinson in Milan



"No access to unauthorised persons"—armed carabinieri patrol a road blocked in the contaminated area. On the right, one of the evacuees, four-year-old Massimo, cries as a blood sample is taken.

MEN AND MATTERS

Tate's tiger by the tail?

Tate and Lyle, I imagine, has a tiger by the tail with their unwelcome bid for fellow (and much smaller) cane sugar refiners Manbré and Carton. The financial and industrial implications of the bid—including the attitude of the Office of Fair Trading as to whether a Monopolies Commission reference is necessary—are considerable, but personalities are also going to play a big part.

Chairman of Manbré is Frank Smith. Now coming towards the end of his business life ("I am nearer 70 than 60") Smith was arguably the best, and certainly one of the most ruthless, practitioners of the art of takeover tactics post war. As a director of merchant bankers S. G. Warburg he was largely responsible for the bank's reputation as defence specialists in takeover situations, but he first put the bank on the map in takeover terms with his victory on behalf of Reynolds in the battle for control of British Aluminium in the late 1950s.

In that situation he was flying in the face of the City establishment. He has done the same since: he resigned, as chairman of St. Martin's Property in 1974 following censure by the City Takeover Panel of his tactics in the bid by St. Martins for Proprietors of Hays Wharf. Ironically, Smith left Warburgs at the same time for the same reason, but has been involved several times in takeover situations since then in his outside interests. The Tate and Lyle bid for Manbré is the fourth since he officially left the field of being corporate finance adviser, and Smith has been on



what most people would accept as the winning side in the other three. Perhaps not surprisingly, Manbré's advisers in this particular situation are none other than Warburgs. But the ironies pile up because, coincidentally (and sensibly so) the defence is being handled by Mark Smith, a Warburg director who happens to be Frank Smith's son. Smith senior denies that he is masterminding this particular defence. He comments blandly: "Situations such as this should provide opportunities for the younger generation to gain experience." (Already note the old campaigner's implied confidence that he is going to win an essential weapon in corporate finance armoured.) "But," he continues mildly, "if my experience can be of any help..." (Others involved on the Manbré side confirm that his experience has already been of quite considerable help.) To even up the balance, Tate

and Lyle has Charles Ball of Barclays Merchant Bank, who is another top-rank corporate finance man and, arguably, the best man in the field now that Smith is officially retired. (This in turn carries its own irony since Barclays are acting in concert with Kleinwort Benson on Tate's behalf, and Ball left Kleinwort to join Barclays.) The final irony is that, with jobs at stake, the workers are likely to have a major impact on the result of this battle. Normally committees from both Manbré and Tate and Lyle act in concert when dealing with Government departments.

Divine Intervention?

An American, stranded in the desert, struggled along until he came to a little Arab township. He discovered that one of the villagers had a decrepit old biplane and asked to be transported to the nearest major airport. The Arab agreed for a suitable fee but the American, suspiciously, enquired whether the plane was up to it. "Don't worry," replied the Arab "you can have two parachutes, and even if they don't work you can pray to Allah."

Marginally reassured the American strapped on his two parachutes and climbed aboard the plane. Inevitably the engine failed and he had to bail out, and equally inevitably neither set of his parachutes opened. Faced with no other alternative, therefore, he took the Arab's advice and prayed to Allah. Amazingly, a giant hand came down from the sky, and scooped him up, and set him gently on the ground. Out of sheer relief the American said aloud, "Thank God for that," whereupon a

large foot came down from the sky and squashed him flat.

Ici Tesco

Perhaps Marks and Spencer in view of the tumbled pound, has been doing overseas expansion the hard way. Stores in Paris are all very well, but the Tesco supermarket group is approaching the prospect of French income in a different way. After all, in common with other south coast retailers, Marks and Tesco do very well from the platoons of French visitors who come across on the ferries to stock up in what for them are the very cheap high streets of Britain.

Now Tesco has gone a stage further, taking a large display advertisement in *Nouvel Observateur* on the attractions of its branches in Ramsgate, Folkestone and Dover. Tesco is emphasising particularly the prices of men's shirts, children's clothes and wall coverings. Each of the stores involved will have French-speaking personnel on hand. Fine, but I dare chairman Leslie Porter to get really topical and deliver at least some of his annual meeting address to-day in French!

Lucky

From a Bristol company's staff magazine: "My fiancée and I arrived at the site on Friday evening and were immediately set to work helping to clear away the layers of alluvial mud that covered the old Roman villa. We expected to work hard, but neither of us knew that we were in for the dirtiest week-end we had ever experienced."

Observer

PARIS-RHONE

The Annual General Meeting of shareholders was held on June 29, 1976 under the Chairmanship of M. Pierre CIBIE, Chairman and Managing Director, and approved the accounts for the financial year ending December 31, 1975.

The financial year closed with a net book-value result of Frs. 14,015,413.33, including Frs. 4,826,931.47 net appreciation resulting from the transfer of the household electrical appliances division of PARIS-RHONE to its subsidiary F.A.R., and Frs. 1,521,926.00 provision for investments added to and the profits and loss account.

Results for the financial year presented to the Meeting no longer included the household electrical appliances division, the assets of the division having been partially transferred with effect from January 1, 1975.

In the motor industry sector, satisfactory results were achieved due to an upswing of activities during the last months. In addition, sales prices were back to a more normal level.

Moreover, an upturn of activities during the second half of the year enabled a better use of the Company's production capacity and led to the creation of new employment possibilities although, at a modest level.

As foreseen in 1975 the investment programme covered only the renewal and development of machinery. The extensive investment programmes carried out between 1972 and 1974 enabled the Company to face the revival in the automobile sector and led it to go beyond the 1973 production level, in spite of the considerable reduction in working hours which arose since.

The President indicated that in 1976 the Company would pursue its plans for the modernisation and adaptation of its factories, as well as the development of its Research Centre, and its commercial networks in France and abroad.

After having replied to various questions, the President said that the turnover at the end of the first six months of 1976 for the different companies of the Paris-Rhône Group, had increased by 35%. Figures for the household electrical appliances sector of F.A.R. showed an increase of 17%, whilst activities of its textiles (lunen) sector remained stationary.

The President also pointed out the excellent development of CIBIE France and CIBIE Belgium, with consolidated figures up by 26%, and that of its Spanish subsidiary, P.A.S.A., with a turnover up by 65%.

July 28—Sir Ronald A. Radford (S-132) argues that there would be no substantial saving if the cost of the goods were collected at the final stage of production and distribution, as some supplies are made to consumers at an intermediate stage and some retailers make supplies to businesses as well as to consumers. But he says that the collection of the tax at the final stage is a principle rather than a rule, and their number and value will be insignificant as compared with the total transactions at present subject to VAT. He thinks that, given the will to do so, the difficulties in this connection envisaged by Sir Ronald's Committee are minor and acceptable.

Some months ago in the accountancy Press, suggested that the cost to the nation of meeting the requirements of VAT might be running at about £1bn. per annum, and this staggering figure has not yet been challenged. The elimination of VAT from the present and the repayment of tax from all stages prior to its final collection would virtually reduce this cost substantially and common sense suggests that the whole matter be examined by a competent, impartial and authoritative body as soon as possible.

H. Derrick.
Powell Duffryn Group Services,
9, Berkeley Street,
W.1.

COMPANY NEWS + COMMENT

Fitch Lovell recovers to £6.08m.

THE INCREASED profit forecast by Fitch Lovell turns out to be £6.08m. for the year to April 24, 1976, compared with £4.87m. for the previous year, after £2.45m. against £2.31m. for the first half.

External sales for the year advanced from £333.75m. to £339.83m., of which £183.99m. (£175.15m.) accrued in the second half, while profit, before interest and exceptional items, expanded from £8.3m. to £8.64m.—second half £4.7m. against £3.9m.

Earnings per 20p share, before extraordinary items, were 6.08p (5.35p) and the dividend is stepped up from 3.0274p to 3.2948p net with a final of 2.2549p.

HIGHLIGHTS

The long-awaited results for 1975 from Swan Hunter show a sharp fall in profits, but the group has increased its dividend. Incheape has shown a second-half recovery, with the year's profits up from £28m. to £37m., helped by a contribution from Anglo Thai. The figures from Barclays Bank are slightly disappointing, with almost all the profits increase coming from its overseas operations. Finally, Lex comments on the first-quarter figures from Reed International, with almost double profits on a sales rise of about a third. Elsewhere, Amalgamated Metal has almost stable half-year profits, Fraser Ansbacher has reported a £405,000 loss; plus large provisions, Fitch Lovell has reported a useful increase in earnings, and Magnet and Southern presents its first results since the merger.

Trading conditions in many areas are still affected by the continuing recession and in the home market the lower purchasing power of spendable incomes must continue to curtail demand. The brightest prospects are for export sales, of which a number of group companies are taking full advantage.

Despite the serious problems of the industry, A.T.C.'s practices are expected to be maintained in the second half.

comment

Allied Textiles' first-half figures show a nearly two-point rise in margins after its recent economy measures and a more than 80 per cent. increase in interest charges. Wool prices are already rising as U.K. consumer demand picks up and the present strong cash position will inevitably be affected by the need to finance increasingly expensive stocks. But the group has probably done well to place most within the woolen textile sector to put its house in order ahead of a recovery in demand, while it should be well placed to take advantage of the high-quality market in the U.S. if the present campaign to get tariff barriers lifted succeeds. The shares fell 2p to 82p yesterday, offering a maximum prospective yield of 11.2 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total for year
Allied Textiles	1.48(a)	Oct. 1	3.16	—	—
Amalgamated Metal	—	Sept. 23	—	12.87	—
Astra Securities	0.42	Sept. 21	0.28	0.70	—
Barclays Bank	1.14	Oct. 1	4.3	—	—
Reunert Properties Int.	1.44	Oct. 1	1.74	—	—
K. O. Boardman	0.47	Oct. 1	0.41	0.88	—
De La Rue	2.1	Aug. 27	2.1	—	—
De La Rue Secs.	1.79	Sept. 21	1.79	2.93	—
Drayton Commercial Int.	1.31	Aug. 27	1.31	—	—
Fitch Lovell	2.25	Oct. 4	1.96	3.29	—
Formanster	2.87(a)	Oct. 10	2.86	5.73	—
Fraser Ansbacher	0.03(d)	Sept. 9	0.75	0.72	—
Gordon & Gotch	1.05	Oct. 6	1.05	—	—
Inchcape	3.61	Oct. 4	3.52	7.1	—
J. Harris & Sons	4.2	Oct. 1	0.75	—	—
Ladies Pride	0.83	Oct. 4	6	14	—
Linford	10	—	—	—	—
Macarthy's Pharmaceuticals	2.32	—	1.33	3.62	—
Magnet & Southern	1.9	Oct. 1	1.61	3	—
Midland Trust	—	—	2.5(c)	Nil	—
Mr. Lloyd Maling	Nil	—	—	—	—
Prestige Group	1.75(c)	Sept. 1	1.4	—	—
Pride & Clarke	Int. 3.0	Sept. 30	3.0	—	—
Renison	20(c)	—	—	30	—
Routledge & Kegan Paul	2.3	Oct. 3	2.1	3.3	—
Swan Hunter	—	Sept. 24	2.5	3.91	—

Dividends shown net of share net except where otherwise stated. (a) Equivalent after allowing for scrip issue. (b) On capital increased by rights and/or acquisition issues. (c) Gross throughout. (d) First dividend following merger of Magnet Joinery and Southern-Evans. (e) Increase to reduce disparity. (f) For 13 months. (g) Australian cents.

Macarthy's advances to £2.48m.

EXTERNAL SALES for the year to April 30, 1976 of Macarthy's Pharmaceuticals expanded from £48.14m. to £50.18m. and pre-tax profit increased from £1.61m. to £2.48m., after £1.22m. against £0.74m. at half-year.

Earnings per 20p share for the year, adjusted for the June 1973 dividend, increased from 7.5p to 11.5p and the dividend is lifted from 3.2p to 3.32p net with a final of 2.32p as forecast.

The 30.4 per cent. increase in sales was achieved during a period in which the directors estimate price inflation on products handled to have been running at about 20 per cent. The group has a little above this year's increases in overheads, they expect another successful year in 1976-77.

The directors say that sales and profit are encouraged by the increase in consumer spending at home and difficult trading conditions in some overseas markets. Prestige manufactures and sells domestic housewares.

ON SALES up from £20.2m. to £21.5m., pre-tax profits of the Prestige Group advanced from £1.85m. to £1.99m. in the first half of 1976. Profits for the year 1975 reached £4.75m.

In 1977, profits in the tin smelting side has provided reliable profits which have been moving ahead because the International Tin Council has removed restraints on tin smelting volume. The extraordinary profit emphasises the currency hedge attractions, while trading profits should strongly continue recovery in 1977. The shares rose 5p yesterday to 280p, where the historic yield is 7.2 per cent.

20% rise by Allied Textile

Earnings are up from 5.01p to 6.01p per 20p share and the interim dividend is lifted from 3.1625p to 3.4757p gross. Last year's gross total was £120,96p, paid from profits of £126m. Net exceptional income of £245,653 and tax.

The directors say that between the two periods extensive reorganisation, and continued progress towards capital intensive production, reduced total numbers employed by approximately 30 per cent.

TURNOVER for the first half of 1976 at Amalgamated Metal Corporation increased from £433m. to £433m., largely reflecting higher metal prices, and pre-tax profits were little changed at £2.79m. compared with £2.77m. Pre-tax profits for the year 1975 were £2.79m.

First half earnings increased from 13.7p to 15.2p before extraordinary items and from 21.3p to 24.4p after such items. The interim dividend is lifted from 4p to 5p net per share but the directors say this does not imply an increase in the total. Last year's final was 8.81p.

The directors say that trading profits for the second quarter show a small advance over the first with continued useful contribution from the tin smelting interests. There are indications of some revival of industrial confidence, and they hope this will lead to improved profit margins.

GROUP PROFIT before tax of property investment company Daejan Holdings, amounted to £1.06m. for the year to March 31, 1976, against the previous year's £1.3m. At half-way profit was down from £0.85m. to £0.53m. A final dividend of 1.7675p makes 2.2525p (2.96p)—equal to an unchanged gross total 4.5p per 20p share.

As a result of a change in accounting policy the whole of the loss on exchange to March 31, 1976 in respect of foreign currency borrowings has been transferred to capital reserve. Last year's profit figures have been adjusted by deleting the provision of £283,775 then made for such losses, it is stated.

comment

Daejan's 1975-76 pre-tax level is in line with the interim forecast, but the 19 per cent. fall in profits, which means that the group has now been in decline for three successive years, tells a familiar story, one of high gearing and static real income. During the property boom years of 1972-74, the group invested heavily in new developments, largely residential, which it is now trying hard to offload. Over all debt in the last balance sheet was over £48m. against shareholders funds of £30m., and it seems unlikely that this position will be greatly improved in the near future. The caution displayed by the shares at 43p, where they are yielding 10.7 per cent. and stand at a discount to net worth of over 75 per cent., therefore seems justified.

comment

The recovery at Fitch Lovell is primarily due to the turnaround in the poultry division of £2m. However, the rise in fees in this erratic division in the second half which does not sugar well for the current year. The improvement on the agency side is largely due to the sale of Gonsales, the wine and spirits subsidiary. Sales on the retail side are higher than last year's despite the closure of 100 shops. The rationalisation of the key Supermarkets and David Greig convenience stores was effected only just before the year-end, but sales have continued at a higher level even after the initial advertising campaign. The hot summer has hit sales by the meat shops and this together with the poultry downturn, means that first-half profits will be under pressure. At 50p, the shares yield 10.7 per cent.

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Barclays rises £38½m. in first six months

Barclays Bank completed the second half-year results from the six months ending June 30, 1976, showing a rise in pre-tax profits to £106.3m. in the 1976 first half against £97.5m. in the comparable period of 1975 and £89.7m. in the second half of last year.

The improvement was partly due to the absence of the impact of any further exceptional additions in the provisions against advances. These had absorbed £14m. in the first half of 1975 and £20m. in the second half.

At the same time, Barclays separated out the impact of the fall in sterling on the value of overseas investments. In the first six months, this brought an exceptional non-trading surplus on realignment of exchange rates of £12.4m., compared with deficits of £200,000 in the first half of last year and of £4.3m. in the second half.

The further exchange rate changes since end-March—the accounting date of the subsidiaries concerned—has given rise to a further £13m. non-trading surplus not included in the profit for the first half.

Before these items, operating profits of the group were £88.7m., up from £77.3m. in the first half of last year but lower than the £90.9m. recorded in the second half.

The chairman, Mr. Anthony Tinker, commented that the results reflected an improved performance at home and satisfactory results from the international business. "Lending in this country has shown little growth but deposits have increased and we are well placed to meet an expansion in the industry's borrowing, both short and medium term."

He added that provisions for specific doubtful debts remained at a higher level than the bank would like to see, but there had been a clear improvement in the experience in the last six months. Costs had risen less steeply than in recent years, and the group included for the first time a positive profit contribution from the recently-acquired Mercantile Credit subsidiary.

Commenting on the domestic bank results yesterday the bank said that the figures had been affected by the impact of provisions against lending under the moving averaging arrangement used by the banks, and by taking the cost of the profit-sharing scheme before striking the overall operating result.

The growth of deposits had included particularly current account funds, while reliance on wholesale money had been reduced to around 30 per cent. At the same time Barclays had returned to profit this year partly as a result of the rise in its interest rate.

Commenting on the results of Barclays Bank International, which accounts for about a half of the group total, the chairman said "the increased value of our foreign earnings under the weighted average method of the group and to the country of our growing overseas activities."

The group is paying an interim dividend for the current year of against £309,084.

Record £0.75m. by Forminster

AS EXPECTED, Forminster, makers of ladies' and children's outerwear, has reported record profits for the year ended April 30, 1976. Pre-tax profits are up from £633,567 to £751,270 on turnover of £7.71m. against £7.52m. in 1975.

Earnings per 10p share are 18.1p (13.7p) and a final dividend of 2.56p (2.25p) gross making a total of 3.11p (2.70p) against 3.19p (2.70p) in 1975.

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MINING NEWS

Mt. Lyell still struggling

BY KENNETH MARSTON, MINING EDITOR

THE Consolidated Gold Fields group's struggling Mount Lyell copper-gold mine in Tasmania reports a net operating loss of £1,300m. (£1.35m.) for the year ended June 30 compared with a profit of £8.1m. for 1974-75. As expected, no dividend is to be paid for the past year.

However, the 1975-76 results come out with a net profit of £6.33m. after taking into account a surplus of £8.33m. on the sale of investments. It will be recalled that earlier this year Mount Lyell said that it would raise much-needed funds by the offer to shareholders of the company's holding of just over 40 per cent in the Renison tin mine and the open market sale of 374,615 shares in ICI Australia.

These sales were designed to keep Mount Lyell in funds until the copper price recovered sufficiently to allow the company to stand on its own feet. That situation was not reached in the year to June 30, and the company's holding of just over 40 per cent in the Renison tin mine and the open market sale of 374,615 shares in ICI Australia.

Meanwhile, the Renison mine should be enjoying the benefits of the recent rise in tin prices. Although its profits fell by 17.6 per cent to £3.28m. (£3.97m.) in the year to June 30, the company is maintaining its dividend total of 30 cents (20.8p) with a final of 20 cents.

SUNGEI BESI

Audited accounts now issued by the Far Eastern tin-producing Sungei Besi show a loss for the year to March 31 of £176,000 compared with a profit in the previous 12 months of £712,000. The earlier reported unaudited results showed a loss for the latest period of £203,000. The loss does not alter the fact that no dividend is being declared for the past year compared with 5p for 1974-75.

Sungei Besi's mining property is noted for its erratic tin values and the latest results reflect a combination of low tin concentrate production and a depressed price for tin. The chairman, Mr. John Richardson, said a year ago that the mine's remaining life was but at 60 or 65 years and reiterated his earlier warning that no profits or dividends could be expected before 1977-78.

For the past three months of the current year to next March tin concentrate production amounts to only 306 tonnes compared with 331 tonnes a year ago. However, the tin price has moved sharply upwards and the company's base for the planned expansion of the group, the proposed subscription by the Lissauer Group for share capital and other long-term investment in the company totalling \$4m. was completed on April 30 and will be reflected in the balance-sheet at that date, showing capital and reserves of \$5m. and subordinated unsecured loans at \$1.2m.

MINING BRIEFS

CYBESDALE (TRANSVAAL) CO. LTD. (Johannesburg) reported a 1975-76 profit of £1,040,000. Profits from mining and allied activities were £1,040,000. Capital expenditure £200,000. Dividends £1,040,000.

CRONLAND EXPLORATION—June quarter: Trading profit £2,500,000 (March: £1,114,000). Profit attributable to shareholders of £2,500,000 (£1,114,000). Capital expenditure £2,500,000 (£1,114,000).

TRANS-MATL COAL CORPORATION (London) reported a 1975-76 profit of £4,100,000. Profit from mining and allied activities £4,100,000. Capital expenditure £4,100,000.

NORANDA LOOKS AT ZINC PLANT

Through its lead-zinc producing subsidiary Brunswick Mining and Smelting, Canada's big Noranda group is considering the construction of a zinc smelter in New Brunswick, probably on the Baie de Chaleur. Feasibility studies begun last year estimate the cost at around \$200m. (£115.2m.), with a possible production date of 1980 or 1981 at an annual capacity of 100,000 tonnes.

The new smelter would complement Brunswick's existing lead smelter while the Province's Government has been pressing for more domestic conversion of zinc ores and is prepared to support the project financially, mainly through providing services.

The scheme would also qualify for help from the Federal Department of Energy.

Ariel well placed for real growth

THE CHAIRMAN of Ariel Industries, Mr. C. K. Edwards, tells members that the group's future is a bright one. However, the outlook this year is dependent to some extent on how quickly the home economy will recover.

The group is well placed to take opportunities as they occur and the chairman is looking for positive growth in real terms.

For the 16 months ended March 31, 1976, profits, before tax, were £712,081 against £669,772 in the previous year to November 30, 1974. The dividend is a maximum permitted 2.25p net.

Although demand was well below capacity for most of the time, the group increased its share of many markets. This helped to stabilise earnings and left the group well placed for the future.

With the fall in the value of sterling, relative to the other main European currencies, the German, French and Dutch markets are becoming particularly attractive, says the chairman.

man. Ideally the group would like to increase home production and build a large volume export business to these markets.

Unfortunately this is denied to the group because overseas customers are unwilling to depend upon supplies which have to pass through British ports.

The group is already negotiating with the Dutch Government for a site in South Limburg and expects to build there during this year.

The total cost will be about £1.5m. part of which will come from overseas borrowings, and part from existing cash resources.

Ariel makes industrial fasteners, closures for the food industry, polyurethanes and accessories for the clothing industry. Meeting, Leicester, August 20, at noon.

WILLIAM PRESS TO IMPROVE

At the annual meeting of William Press & Son chairman Mr. W. A. Hawken said indications led him to believe the results for the half year should show an improvement over those for the same period last year.

Mr. Hawken said the group's results for the half year should show an improvement over those for the same period last year.

Fraser Ansbacher net loss is £2.76m.

FOR the 13 months to April 30, 1976, merchant and investment banking group Fraser Ansbacher reports a loss before tax of £403,917 compared with a profit for the preceding year of £493,496. After tax pre-acquisition profit, the loss is £229,020 against a profit of £1,327,711.

Following a critical examination by the directors of the company's non-banking investments, specific provisions which are of a capital nature amounting to £1.74m. have been established and are reflected in the accounts.

In addition to these, an unallocated general provision of £750,000 has been established to cover any further diminution in the value of the non-banking investments.

The effect of passing these capital provisions through the profit and loss account and adding net extraordinary profits of £260,472, is an overall deficit of £2.76m., compared with a profit of £493,496.

As expected, the directors are recommending only a nominal dividend of 0.0025p net, against 0.715p in the previous year. The dividend is covered by distributable profits made by the holding company and payment will be made to shareholders.

The loss per 10p share is shown as 1.23p compared with earnings of 0.33p.

Taking into account the trading provisions on subsidiaries, the company's capital and reserves of £750,000 unallocated general provision, the directors are of the view that the consolidated balance-sheet should now show a surplus of £1.74m. over the planned expansion of the group, the proposed subscription by the Lissauer Group for share capital and other long-term investment in the company totalling \$4m. was completed on April 30 and will be reflected in the balance-sheet at that date, showing capital and reserves of \$5m. and subordinated unsecured loans at \$1.2m.

Consortium offers £1.5m. for Datastream

A consortium of companies led by BOC International and Touche Renmant Datastream, is offering to purchase Datastream, the computerised financial information service developed by stockbrokers Hoare and Co. Goulet for £1.5m., and is also taking responsibility for the future of the service.

The consortium is led by BOC, which will hold 35 per cent of the equity, through its subsidiary BOC Datastream, one of the largest computer service companies in the UK, and it will oversee the long-term development of the business.

Touche Renmant, which owns about 15 per cent of the shares and other consortium members so far include Commercial Union Assurance, Prudential Assurance Company and Lazard Bros. In addition, certain firms of stockbrokers are expected to join in.

The sale, which has been arranged by Messrs. B. & S. has been under negotiation for some time. Negotiations were interrupted in May by internal staff changes at Datastream.

J. Jarvis turns in £609,802

ON TURNOVER up from £13 to £133m. pre-tax profits of £1.3m. and civil engineering contracts, J. Jarvis and Sons rose, £436,512 to £609,802 for the year to March 31, 1976 following a crease from £224,906 to £224,906 for the first half of 1976. The dividend is £224,906 (full year earnings at 13.30p to 26.01p per share). The dividend is £224,906 (full year earnings at 13.30p to 26.01p per share). The dividend is £224,906 (full year earnings at 13.30p to 26.01p per share).

Optimism at H. P. Bulmer

ALL THINGS considered, H. P. Bulmer, chairman of H. P. Bulmer, believes that company should do "much better" this year, and that borrowings should be reduced.

He reports that the volume of sales in the first two months of the year is up on budget by 10 per cent, and of the same period last year by 30 per cent. To meet this demand productivity continues to improve. Even so, he it is difficult to plan with accuracy in present conditions.

The effect of last September's tax on sales is a major factor in determining policy crucial issues such as price, employee reward. "These have a greater impact on us than the factors which in other companies are under our control," he says.

But for these circumstances, he would have set out a bold outlook for the year, and would predict a substantial rise in profits. As reported on July 16, pre-tax profit increased £1.28m. to £2.30m. in the year to April 30, 1976 and the dividend is £2.30p (2.65p) net per share. Contracts for capital expenditure were £1.2m. (£0.74m.) further capital expenditure approved but not contracted was £2.23m. (£1.08m.).

The profit is struck by extraordinary charges of £2 (£1.58m.) including £1,000 compensation for loss of off a director of the holding company. £19,000 (paid) for a director of an overseas subsidiary. Meeting, Hereford, Sept. 8 at 2.30 p.m.

BANK OF AMERICA

NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, July 28. These exchange rates have been compiled by Bank of America NT & SA's worldwide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for sterling (and those currencies at par sterling) which is quoted in dollars per unit. These rates are asterisked.

All rates quoted are for indication only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to assume any responsibility for any error in the table below.

Country	Currency	Value of DLR	Country	Currency	Value of DLR	Country	Currency	Value of DLR
Afghanistan	Afghani	100.0000	Greenland	Danish Krone	1.1717	Paraguay	Guarani (m)	1.1717
Albania	Albanian Lek	100.0000	Ghana	Cedi	2.54	Romania	Leu	100.0000
Algeria	Dinar (a)	100.0000	Guatemala	Quetzal	1.00	Rwanda	Rwanda Franc	100.0000
Andorra	Fr. Franc	100.0000	Honduras	Lempira	1.00	Senegal	CFA Franc	100.0000
Angola	Ang. Escudo	100.0000	Hungary	Forint (m)	100.0000	Sierra Leone	Sierra Leone Leone	100.0000
Argentina	Arg. Peso	100.0000	India	Indian Rupee	100.0000	South Africa	Rand	100.0000
Australia	Australian \$	1.0000	Indonesia	Rupiah	100.0000	Spain	Peseta	100.0000
Austria	Schilling	13.7603	Iran	Rial	100.0000	Switzerland	Swiss Franc	100.0000
Bahamas	Bahamian \$	1.0000	Iraq	Dinar	100.0000	Taiwan	New Taiwan \$	100.0000
Bahrain	Dinar	1.0000	Israel	Israeli \$	1.0000	Thailand	Baht	100.0000
Barbados	Barbados \$	1.0000	Italy	Lira	100.0000	Togo	CFA Franc	100.0000
Belgium	B. Franc (m)	100.0000	Jamaica	Jamaican \$	1.0000	Tunisia	Tunisian Dinar	100.0000
Belize	Belize \$	1.0000	Japan	Yen	100.0000	Turkey	Lira	100.0000
Bermuda	B. Franc	1.0000	Korea (S.)	Won (a)	100.0000	U.S.A.	Dollar	1.0000
Bhutan	Bhutanese Ngultrum	100.0000	Kuwait	Kuwait Dinar	1.0000	Uruguay	Peso	100.0000
Bolivia	Bolivian P. (m)	100.0000	Laos	Kip (m)	100.0000	Venezuela	Bolivar (m)	100.0000
Brazil	Cruzeiro	100.0000	Lebanon	Lebanese \$	1.0000	Yemen	Yemeni Rial	100.0000
Brunei	Brunei \$	1.0000	Libya	Dinar	100.0000	Zambia	Kwacha	100.0000
Bulgaria	B. Franc	100.0000	Macao	Pataca	100.0000			
Burkina Faso	CFA Franc	100.0000	Malawi	Kwacha	100.0000			
Burundi	Burundi Franc	100.0000	Malaysia	Malay Ringgit	1.0000			
			Mali	Dinar	100.0000			
			Mexico	Mexican Peso	100.0000			
			Morocco	Dirham	100.0000			
			Nicaragua	Colon	100.0000			
			Niger	CFA Franc	100.0000			
			Nigeria	Naira	100.0000			
			Paraguay	Guarani (m)	1.1717			
			Peru	Inti	100.0000			
			Romania	Leu	100.0000			
			Rwanda	Rwanda Franc	100.0000			
			Senegal	CFA Franc	100.0000			
			Sierra Leone	Sierra Leone Leone	100.0000			
			South Africa	Rand	100.0000			
			Spain	Peseta	100.0000			
			Switzerland	Swiss Franc	100.0000			
			Taiwan	New Taiwan \$	100.0000			
			Thailand	Baht	100.0000			
			Togo	CFA Franc	100.0000			
			Tunisia	Tunisian Dinar	100.0000			
			Turkey	Lira	100.0000			
			U.S.A.	Dollar	1.0000			
			Uruguay	Peso	100.0000			
			Venezuela	Bolivar (m)	100.0000			
			Yemen	Yemeni Rial	100.0000			
			Zambia	Kwacha	100.0000			

n.a. Not available. (m) Multiple exchange rate system, commercial rate used. (a) Approximate rate. (b) OF U.S. dollars per sterling unit. * Asterisked rates are for reference only. Exchange rates are subject to change without notice. For further information please contact your local branch of the Bank of America.

GALLAHER

Statement by the Chairman, Mr. A. W. H. Stewart-Moore, and Interim Report for the six months ended 30th June, 1976

Results for the past six months are satisfactory, but the element of inflation should not be ignored. Overseas profits, particularly those from Gallaher (Dublin) and our Dutch subsidiaries, Niemeijer and Ruiters, are good. Our Engineering and Wholesaling companies are suffering from a low sales level but there are signs that an upturn is in sight. Our Optical business, both in the U.K. and overseas, continues to show good results.

The unaudited results of the Group for the six months ended 30th June, 1976, compared with the corresponding figures for 1975 and the audited results for the whole of 1975 are as follows:—

	1976		1975		Year to 31 December
	3 months to 30 June	6 months to 30 June	3 months to 30 June	6 months to 30 June	
GALLAHER LIMITED AND SUBSIDIARY COMPANIES					
GROUP SALES (Notes 1 & 2)					
Tobacco—Domestic	183.0	364.8	154.0	396.0	654.3
Overseas	31.7	59.2	23.4	43.2	88.8
Engineering	10.7	20.4	12.1	21.5	44.1
Optical	6.7	13.3	5.4	10.4	24.1
Distribution	33.6	68.7	29.0	53.7	121.1
	265.7	526.4	223.9	424.8	932.4
GROUP TRADING PROFIT, before Interest (Note 2)					
Tobacco—Domestic	8.0	16.1	6.2	13.1	28.5
Overseas	1.4	2.8	0.4	1.0	3.0
Engineering	0.8	1.1	1.8	2.9	5.5
Optical	0.9	2.1	0.8	1.7	4.3
Distribution	0.4	1.0	0.6	1.3	2.6
INTEREST CHARGES	11.5	23.1	9.8	20.0	43.9
GROUP PROFIT, before taxation	10.1	20.3	7.8	16.2	36.5
TAXATION (Note 3)	5.0	10.2	4.0	8.3	18.6
MINORITY INTERESTS	5.1	10.1	3.8	7.9	17.9
GROUP PROFIT, before Extraordinary Items	5.0	10.0	3.7	7.8	17.7
EXTRAORDINARY ITEMS, net of taxation	—	—	—	—	3.4
GROUP NET PROFIT	5.0	10.0	3.7	7.8	21.1
Depreciation charged in arriving at trading profit	2.6	5.2	2.2	4.3	9.0

- NOTES
- Group Sales
Sales exclude V.A.T. or its equivalent.
The comparison for sales of tobacco products has been largely affected by the tobacco taxation increases included in sales from May 1975 and May 1976 onwards.
 - Divisional Figures
The divisional figures for sales and profits in respect of Tobacco—Domestic and Distribution for the three and six months of 1975 have been reclassified.
 - Taxation
U.K. Corporation Tax has been based on a rate of 52%.

Cable Trust Limited

Interim Report (unaudited) for the six months ended 30th June 1976

Earnings	Six months ended 30th June	1976	1975
Gross Revenue	£5,104,000	£4,490,000	
Group earnings before taxation	£4,582,000	£4,084,000	
Taxation	1,768,000	1,577,000	
Group earnings after taxation	£2,814,000	£2,507,000	

Interim Dividend

The Directors have declared an interim dividend of 2.0p per stock unit (1975, 1.4p) absorbing £1,582,064 and payable on 30th September 1976 to stockholders on the register on 30th August 1976.

The payment of an increased interim dividend was foreshadowed in the Governor's Statement published with the Report and Accounts in February 1976 and is intended to reduce the past disparity between interim and final dividend payments.

Assets	30th June 1976	31st December 1975
Investments at market value or valuation	£139,610,000	£138,943,000
Net assets	£128,338,000	£128,732,000
Net asset value per stock unit of 25p	162½p	162½p
Net asset value per stock unit of 25p allowing for full conversion of Loan Stock	160½p	160½p



AN ELECTRA HOUSE COMPANY

RECENT ISSUES

EQUITIES

Issue Price	Amount	Latest	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905</
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INTERNATIONAL COMPANY NEWS + EURO MARKETS

UBAF special provisions

AF LTD., the U.K. arm of Franco-Arab UBAF consortium banking group, achieved record trading profits last year at the pre-tax level of £1.2m, a 100 per cent increase on the £1.2m of 1975. The London-based bank reports that trading profits rose to £1.2m, from £1.2m for 1975, its third full trading year. The results were achieved by the use of substantial loans from the shareholders (totaling £5.7m, the year-end, and the chairman, Dr. M. M. Abushadi, says results were achieved in 1975 of a 40 per cent rise in the U.K. The bank has also secured a provision of £300,000 for future loan losses. And audited loan losses, which had been £244,000, were none in 1975, with medium-sized charges left pre-tax down from £1.2m to £.622. The chairman reports that the biggest expansion of income was in medium term lending. The balance sheet shows total assets up from £m. to £256m, with medium-sized charges left pre-tax down from £1.2m to £.622. The bank is part of an international grouping with 50 per cent of its capital held by the Bank of Baghdad, the Bank of Syria, the Bank of Iraq, the Bank of Kuwait, the Bank of Oman, the Bank of Qatar, the Bank of Bahrain, the Bank of Brunei, the Bank of Malaysia, the Bank of Singapore, the Bank of Thailand, the Bank of Indonesia, the Bank of the Philippines, the Bank of the Netherlands, the Bank of Belgium, the Bank of Luxembourg, the Bank of France, the Bank of Germany, the Bank of Italy, the Bank of Spain, the Bank of Portugal, the Bank of Greece, the Bank of Turkey, the Bank of Iran, the Bank of Pakistan, the Bank of India, the Bank of China, the Bank of Japan, the Bank of Korea, the Bank of Taiwan, the Bank of Hong Kong, the Bank of Macao, the Bank of the Cayman Islands, the Bank of the Virgin Islands, the Bank of the British Virgin Islands, the Bank of the Turks and Caicos Islands, the Bank of the Anguilla, the Bank of the Antigua and Barbuda, the Bank of the Barbados, the Bank of the Belize, the Bank of the Bermuda, the Bank of the Bonaire, the Bank of the Brunei, the Bank of the Cambodia, the Bank of the Cameroon, the Bank of the Cape Verde, the Bank of the Central African Republic, the Bank of the Chad, the Bank of the Comoros, the Bank of the Congo, the Bank of the Cote d'Ivoire, the Bank of the Democratic Republic of the Congo, the Bank of the Equatorial Guinea, the Bank of the Gabon, the Bank of the Gambia, the Bank of the Ghana, the Bank of the Guinea, the Bank of the Guinea-Bissau, the Bank of the Ivory Coast, the Bank of the Jamaica, the Bank of the Kenya, the Bank of the Lesotho, the Bank of the Liberia, the Bank of the Madagascar, the Bank of the Malawi, the Bank of the Mali, the Bank of the Mauritania, the Bank of the Mauritius, the Bank of the Mexico, the Bank of the Morocco, the Bank of the Mozambique, the Bank of the Myanmar, the Bank of the Namibia, the Bank of the Niger, the Bank of the Nigeria, the Bank of the Oman, the Bank of the Pakistan, the Bank of the Papua New Guinea, the Bank of the Philippines, the Bank of the Portugal, the Bank of the Qatar, the Bank of the Romania, the Bank of the Rwanda, the Bank of the Saudi Arabia, the Bank of the Senegal, the Bank of the Sierra Leone, the Bank of the Somalia, the Bank of the South Africa, the Bank of the South Korea, the Bank of the Sri Lanka, the Bank of the Sudan, the Bank of the Switzerland, the Bank of the Taiwan, the Bank of the Thailand, the Bank of the Togo, the Bank of the Trinidad and Tobago, the Bank of the Tunisia, the Bank of the Turkey, the Bank of the Uganda, the Bank of the United Arab Emirates, the Bank of the United Kingdom, the Bank of the United States, the Bank of the Uruguay, the Bank of the Venezuela, the Bank of the Vietnam, the Bank of the Yemen, the Bank of the Zambia, the Bank of the Zimbabwe.

ibacher pays more

NSACHER, the Austrian engineering company, is increasing its dividend by 1 per cent to 7 per cent for 1975. The company's 1975 revenue rose by 11 per cent to an all-time peak of £3.53m. (about £20m).

Canada upturn

LL CANADA, the country's largest telephone utility, which was listed in Europe, earned 1.25 a share for the six months ended June 30, against 1.71 a year earlier. Consolidated revenue was \$1.61m, up from \$1.41m, and net income \$1.7m, up from \$1.14m. The annualised rate of return is 10.3 per cent, against 8.2 per cent, on average common stock. Robert Gibbons reports on Montreal.

CELESTION INDUSTRIES

Mr. D. D. Prenz (Chairman) reports on the year ended 2nd April, 1976.

- * **TURNOVER INCREASE**
From £8,823,500 to £7,729,400 of which direct exports were £1,976,000.
- * **PRE-TAX PROFIT £656,806**
- * **DIVIDEND INCREASE**
From 10.9138% to 12.0% Maximum allowed.
- * **FINANCIAL STRENGTH**
Acquisition of Bonsoir business was financed out of existing resources.
- * **FUTURE**
Further trading improvement expected.

Copies of the Report and Accounts may be obtained from the Secretary.

Celestion Industries Limited,
130 Mount Street, London, W1Y 5HA.
Telephone: 01-499 5641

UNERMAN HOLDINGS LIMITED

Highlights from the circulated statement of Mr. Abraham Rosenblatt (Chairman)

Consolidated pre-tax profits for the year ended 31st March, 1976, amounted to £783,801, compared with £682,737 last year.

The Board recommend a total dividend for the year of 4.48p per share.

As in previous years, Unerman Greenman Berger Ltd., contributed most to Group's results with UGB-McGeoch, despite difficult trading conditions, expanding their profitability to a record level.

At S.A. Watts Ltd., sales and profits reached higher levels than any previously attained.

The major industry in which we work, the Furniture Industry, was very buoyant, and our efforts to improve our market share are bringing positive results. With sales to our other markets continuing to be satisfactory, I am confident that I will report in due course another successful year.

WY WORKS - SUTHERLAND ROAD - LONDON E17 6BP

WARNFORD INVESTMENTS LIMITED

The Annual General Meeting of Warnford Investments Limited was held on July 29 in London. The following are salient points from the Directors' Report and Accounts:

PROFITS: Total revenue of the Group before tax and extraordinary items increased to £1,395,542 from £1,216,236 which included non-recurring income of £54,355.

DIVIDEND: Increased by maximum permitted 10% to 4.35p.

PROSPECTS: Refurbishment and modernisation of properties is continuing. Despite increased expenditure there should be a further improvement in results for the current year.

KLM makes Fls. 20.8m. first-quarter profit

BY MICHAEL VAN OS

KLM, Royal Dutch Airlines today announced an encouraging profit of Fls. 20.8m. (€4.28m.) for April-June, the first quarter of its financial year. The profit, which compares with a net loss of Fls. 21.7m. incurred in the same period last year, represents the airline's first maiden quarter profit since 1971.

The company, in which the Dutch Government has an interest of over 70 per cent, said in a statement for today's annual general meeting in Amsterdam that whereas operating revenue had gone up 18 per cent to Fls. 625.4m. in the first quarter of 1976, compared with a loss of Fls. 11.2m. last year. The balance of interest showed a Fls. 0.1m. (€0.02m.) loss, while the balance of other income and deduction showed a reduced loss of Fls. 2.7m. (€0.6m.).

This left an operating profit in the first quarter of Fls. 23.4m., compared with a loss of Fls. 11.2m. last year. The balance of interest showed a Fls. 0.1m. (€0.02m.) loss, while the balance of other income and deduction showed a reduced loss of Fls. 2.7m. (€0.6m.).

The first quarter's net profit per share of Fls. 100 covering just over 3.1m. outstanding Ordinary shares was Fls. 6.70, which compares with a loss of

Fls. 6.98 in the first quarter of 1975-76.

KLM added that the ton/kilometre production in the first quarter this year had been up 3 per cent on the year before and the ton/kilometre traffic had been 11 per cent higher. As a result, the load factor advanced to 54.4 per cent, from 50.6 per cent. Passenger traffic on scheduled flights increased by 8 per cent, freight by 12 per cent, and charter by as much as 24 per cent.

The airline, which suffered a loss of Fls. 18.6m. in the past financial year, paid in its annual report published at the start of this month that it expected to conclude the current year with a "small profit." This assumption, which was based on a continuation of the economic recovery, and barring unforeseen circumstances, was not elaborated on at today's annual meeting.

The Board said that, besides internal savings programmes, there were also being reached with the increased use of the more economic wide-body type equipment. Dr. Sergio Orlandini, its president, said that with traffic going

AMSTERDAM, July 29.

up, and no additional capacity due to be delivered to KLM for some time to come, the airline was quickly mopping up spare capacity. The meeting was told that the transaction cost factor was as high as 70 per cent.

It is understood that the development of freight transport, which accounts for a substantial share of the airline's turnover, is still somewhat below expectations.

The Dutch airline, which has very extensive interests in the hotel and tourist sector, said at the beginning of this week it was significantly reducing its shareholding in the Schiphol Frommer hotel, the second largest hotel in Holland, which will be renamed Hotel H. If and when possible, KLM would further reduce its stake in the hotel sector.

Of its interest in the heavy loss-making Holland International Travel and Tour Operating Group, one of the largest European companies in that sector, KLM said it would continue to take part in the group, which was being extensively reorganised and slimmed down in the face of the earlier decline in tourism.

Magirus-Deutz confident

BY NICHOLAS COLCHESTER

MAGIRUS-DEUTZ, the German part of the newly formed German-Italian lorry making group, is confident of a turnover in the current year of over DM1.957bn. in 1976.

Largely on the strength of a leap in overseas sales, the company has already recorded a 44 per cent increase in sales for the first half of the year to DM1.09bn. Magirus-Deutz delivered 11,801 lorries in the first six months, compared with

12,500 in the whole of 1975 and 13,500 in the previous year.

Orders in the first half of this year ran at the same level as in the first half of 1975, when, for the year as a whole, orders worth DM1.745bn. were booked of which DM960m. came from overseas. The management is confident that in 1976 Magirus-Deutz will sell 23,000 vehicles and will sustain this rate of selling in the following year. This prediction excludes considera-

tion of any new deals with the Soviet Union.

Magirus-Deutz, the former lorry division of Klockner-Humboldt-Deutz has now been joined to the newly formed Iveco Industrial Vehicles Corporation which is based in Italy. When Fiat has increased its contribution to Iveco to the agreed level, it will have 30 per cent of the company while KHD will have 20 per cent.

BONN, July 29.

Champagne groups sparkle

BY ROBERT MAUTHNER

MOET-HENNESSY, one of France's largest champagne and spirits group, which also produces Christian Dior perfumes,

has announced a net profit of Frs. 25m. (about \$m.) for the financial year ending June 30, 1976, a substantial drop compared with 1974/75's figure of Frs. 42m.

Sales, however, have been holding up well. After a net consolidated turnover of Frs. 1.1bn. last year, sales during the first six months of 1976 totalled Frs. 539m, a rise of as much as 27 per cent over the same period last year, in spite of the suspension of sales of Heineken beer by the company since the beginning of the year.

Given this encouraging performance, the group will pay a net dividend of Frs. 7.90 per share, up by 70 centimes over last year's payments.

According to details given earlier this year by the group's chairman, M. Alain Chevalier, export sales of champagne were particularly buoyant, rising by some 30 per cent to 8.3m. bottles, only slightly less than the 8.6m. sold in France Frs. 72m.

Another well-known French champagne group, G. R. Mumm, has also published favourable sales figures. Mumm's sales totalled Frs. 524m. for the same period last year, an increase of as much as 64 per cent. Compared with what the industry considers to be the last normal year, however, the rise was less spectacular, since sales in the first half of 1974 amounted to Frs. 72m.

The picture for the group's cognac sales, more than 90 per cent of which are abroad, is similar, while sales in France itself went up by 30 per cent in 1975 and are expected to increase by a further 25 per cent this year.

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Credit Suisse ahead

BY JOHN WICKS

ZURICH, July 29.

GROSS PROFITS of the Zurich-based Swiss Credit Bank were higher in the first half of 1976 than in the corresponding period of last year, increased income from issue and securities business and tight cost control offsetting a fall in profits from foreign-exchange and precious metals transactions and, as a result of shrinking interest mar-

gins from the credit business. The bank, whose improvement in profits was due to the same development as reported in the recent statement by the Swiss Bank Corporation, expects a fall rather than a further increase in profitability in the second half of 1976, due to continued pressure on margins and "international uncertainty factors."

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Matsushita sales rise by Y82.8bn.

MATSUSHITA ELECTRIC

Industrial Company said yesterday that its consolidated net profit for the quarter ended May 29 rose to Y16,268bn., or Y16,411 a share, a year earlier.

Consolidated sales for the quarter, the second in Matsushita's fiscal year ending November 21, rose to Y42,578bn., compared with Y42,578bn. The company cited sales growth in colour televisions and acoustic equipment.

The company forecast consolidated net profit of Y60bn. for the year to November 21, up from Y31,693bn. last year. Sales for the year were forecast at Y145 trillion, up from Y128 trillion a year earlier.

For the six months to May 29—the company's first half—Matsushita Electric consolidated net profit was Y28,268bn., or Y28,398 a share, up from Y12,448bn., or Y12,556 a share, last year.

First-half consolidated sales totalled Y80,355bn., compared with Y63,084bn. in the same period last year. Matsushita said in the 1976 first-half sales represented a company record for a six-month period.

Export sales in the second quarter totalled Y97,933bn., up 71 per cent from a year earlier. First-half export sales at Y176,876bn. were up 63 per cent from last year, AP reports.

Tokyo Exchange cuts margin ratio

THE TOKYO Stock Exchange announced it will lower the margin requirement ratio for all except five stocks to 40 per cent, including 10 per cent in cash from the present 50 per cent, including 10 per cent in cash as from July 30, Reuters reports.

The five exceptions whose margin requirements are unchanged, are Sanriku Ocean, Honjo Oil, Chugan Pharmaceutical, Chiyoda Chemical and Engineering and Mitsui Electric.

The ratio for Sanriku Ocean and Mitsui Electric is 50 per cent, including 30 per cent in cash. For Honjo Oil, Chugan Pharmaceutical and Chiyoda Chemical 60 per cent, including 40 per cent in cash.

Mobil earnings

Mobil, at the bottom of a trend which saw most major U.S. oil companies with improved earnings for the second quarter, has announced a 9 per cent increase from last year, to an estimated \$24m., or \$2.10 a share, from \$196m., or \$1.92 a share.

For the six months earnings were \$47m., or \$4.18 a share, 12 per cent, up from last year's \$382m., or \$3.75 a share. The highest percentage gain for the quarter was 39 per cent—the lowest was a 3 per cent loss.

Domestic petroleum earnings for the quarter were \$77m. above last year's figure, the contributing factors being an increased demand for gasoline, a hike in retail prices, and volume declines in crude oil and natural gas being offset by improved prices for both. This brought the world-wide petroleum earnings to a 1.6 per cent increase for the first half over last year's comparable period. Domestic earnings accounted for 54 per cent of the world-wide figure.

Rail order talks

CANADIAN VICKERS, the Canadian arm of Vickers U.K., had a half-year profit of \$CL326m., or \$CL2.51 a share against \$CL32m., or \$CL3.37 in the six months ended May 31, 1976. The year-end has been changed.

Marine operations continue depressed, but the industrial division has a heavy backlog and throughput is ahead of last year. Talks are continuing for significant orders from Montreal.

ASIA DOLLAR MARKET

DBS planning to raise U.S. \$50m. to \$60m.

BY OUR OWN CORRESPONDENT

SINGAPORE, July 29.

THE SINGAPORE Government-controlled Development Bank of Singapore (DBS) is believed to be planning to issue a 15-year convertible Asian dollar bond later this year.

According to market sources, the size of the issue is likely to be in the region of U.S.\$50m. to \$60m.

The Bank has already issued a notice calling for an extraordinary general meeting on August 13 to seek shareholders' approval for the issue of U.S. dollar convertible bonds when market conditions permit.

DBS last obtained shareholders' approval for the issue of such bonds on February 4, 1974. But seas Bank, in 1973.

DBS is a highly diversified group with interests in banking, manufacturing, property and various services industries. It was incorporated in 1968 principally to render financial assistance to industry in Singapore for purposes of economic development and industrialisation.

The Singapore Government now holds slightly more than 50 per cent of the bank's equity. The bank, which has a paid-up capital of 100m. Singapore dollars, last year reported after-tax profits of 11.6m. Singapore made by another leading local dollars.

The new issue will be the DBS's second Asia bond issue. The first issue, of \$10m. carrying a coupon of 8 1/2 per cent and maturing in 1982, was issued at 100 per cent in 1972. It was then also the first ever Asia dollar bond issue.

EUROMARKET ROUNDUP

Morgan Guaranty estimates

NEW YORK, July 29.

DEVELOPING countries borrowed about \$7.7bn. in the Euro-currency market in the first seven months this year, more than 45 per cent of all Euro-currency bank credits, Morgan Guaranty Trust Company said.

The widely-expected decline in developing country loans has yet to materialise, but lending terms have hardened, it said in its World Financial Markets publication.

It said \$5.7bn. of the total went to non-organisation of petroleum exporting countries' members.

The European Investment Bank is expected to seek \$125m. on the Eurobond market in the

near future. Brussels bond sources said.

It is expected to offer \$75m. of seven-year notes with an 8 1/2 per cent coupon, and \$50m. of 12-year bonds with an 8 1/2 per cent coupon.

The Frs.100m. 6.25 per cent 15-year loan floated by the National des Chemins de Fer Français at 101 per cent, on the Swiss capital market was considerably oversubscribed, Schweizerischer Bankverein

APPOINTMENTS

Director of
Administration

• THIS is a new appointment at the centre of the United Kingdom operations of a rapidly expanding international group producing high quality materials, equipment and process systems for industry.

• EXECUTIVE responsibility to the UK company Chairman will be for all central services in a divisionalised organisation. These include financial, personnel, legal, secretarial, purchasing and manufacturing services. Policy co-ordination, international liaison and the control of two specialist manufacturing activities also fall within the wide remit.

• ESSENTIAL requirements are high intellectual calibre evidenced by a degree or professional qualification, familiarity with modern management techniques and competence in business administration at general management level. Industrial relations involvement now or in the past will be invaluable.

• AGE forties. Salary negotiable well into five figures with car and substantial profit related bonus. Career development prospects excellent.

Write in complete confidence
to R. T. Addis as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

Division Head
Antibiotics

A leading international firm in the ethical pharmaceutical industry, based in an attractive European location, is expanding its antibiotics business and wishes to contact a high level executive to co-ordinate the research, marketing, production and profit and loss performance of this world-wide activity.

Probable qualifications are a university degree and at least ten years' senior management experience in the pharmaceutical industry (antibiotics). Age and nationality are of little relevance but applicants must speak fluent English: some French/German would be an advantage.

A short not with home and office phone will suffice for an initial introduction. Absolutely no third party contacts will be made without your explicit instructions.

Replies to Dr. Gerhard Simons,
Ward Howell—Consulting Partners,
17-18 Old Bond Street,
London W1.

Chief Investment
Surveyor
New appointment

A major Pension Fund with a large property portfolio requires a Chartered Surveyor who will be directly responsible to the head of the Department for all new acquisition work. Candidates must have had at least five years' experience in a senior position with a large institution or a private practice specialising in investigating and negotiating the purchase of major commercial property investments throughout the UK. A salary will be negotiated commensurate with the seniority and responsibilities attached to this post.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1285.

This appointment is open to men and women.

MSL CONFIDENTIAL 17 STRATTON STREET
RECRUITMENT LONDON W1X 6DB
A member of MSL Group International

Property
Management
up to £8000

This opportunity is for a Chartered Surveyor with extensive experience in the management of large commercial property investments. The appointment as Deputy Property Manager is with a major Pension Fund with an extensive property portfolio which is expanding rapidly.

Candidates must have held a senior position with a Property Company or an Institution and be able to direct a multi-discipline team.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1284.

This appointment is open to men and women.

MSL CONFIDENTIAL 17 STRATTON STREET
RECRUITMENT LONDON W1X 6DB
A member of MSL Group International

LEADING INTERNATIONAL
SUGAR BROKERSrequire
AMBITIOUS
YOUNG PERSON

Would suit Stock Exchange Market man/woman desiring to move into commodity futures. Write Box A.5652, Financial Times, 10, Cannon Street, EC4A 3DF.

COMMODITY Executive vacancy, Charterhouse Apartments, 01-535 2377.

PUBLIC NOTICES

REFERENCE TO THE MONOPOLIES AND MERGERS COMMISSION
The Director General of Fair Trading has asked the Monopolies and Mergers Commission to investigate and report on the supply of the United Kingdom of motor vehicles.

THE SECRETARY OF STATE FOR TRADE AND CUSTOMS
The Secretary of State for Trade and Customs has asked the Monopolies and Mergers Commission to investigate and report on the supply of the United Kingdom of motor vehicles.

FAIR TRADING ACT 1973
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LEGAL NOTICES

No. 00220 of 1976
In the High Court of Justice
Chancery Division Companies Court
In the Matter of BOWEN LIMITED and in the Matter of the Companies Act 1967.
NOTICE IS HEREBY GIVEN, that the Petition for the Winding up of the above-named Company, filed by the Petitioner on the 24th day of June 1976, is to be heard by the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2A, at 11.00 o'clock on the 1st day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the winding up of the said Company must appear at the time of hearing, in person or by his counsel, for that purpose, and a copy of the Petition will be furnished to the undersigned by the Registrar of the Court on the day of the hearing.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned in writing his intention so to do. The notice must state the name of the person or firm, and must be signed by the person or firm, or by his or their solicitor, and must be served on or sent by post to the undersigned in writing on or before the 1st day of October 1976.

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Reed Intl. profit almost
doubled at midway

IN THE FIRST quarter to June 30, 1976, Reed International has almost doubled its pre-tax profits at £16.7m. against £8.5m. and the directors regard the results of the year as a whole as very good. The company's sales and exports expanded from £155.5m. to £173.5m. and overseas sales were £134.4m. compared with £82.8m. After last year's £4.2m. to £5.5m. earnings rose from 4.5p to 7.5p per share.

For the year to March 31, 1976, pre-tax profits were £38.7m. compared with £34.8m. for 1974-75, and the dividend was 11.077p net.

In July, announcing a one-for-five rights issue to raise some £35m., the directors forecast a dividend total of 15p net for 1976-77 on the increased capital base. The resolution to increase the authorised share capital has been passed and provisional allotment letters in respect of the new ordinary shares under the rights issue were posted yesterday.

See Lex

Ingersoll
Rand profits
increase

An increase in pre-tax profits from £2.0m. to £2.2m. is reported by Ingersoll-Rand Holdings for 1975, on turnover up from £59.27m. to £62.03m.

The directors are recommending that all profits for the year be re-invested and no dividend paid.

Turnover was £62.03m. (£59.27m. in 1974). Profit before tax was £2.2m. (£2.0m. in 1974). The company's sales and exports expanded from £155.5m. to £173.5m. and overseas sales were £134.4m. compared with £82.8m. After last year's £4.2m. to £5.5m. earnings rose from 4.5p to 7.5p per share.

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TYNDALL TRUSTS
RENAMED

Tyndall Managers has renamed the recently acquired Grindlay Brands Capital and Income Trusts the Tyndall Scottish Capital Fund and the Tyndall Scottish

session to Mr. C. H. Broughton, chief executive of BICC.

Mr. Alan Plumptre, at present deputy chairman, has been appointed chairman of the DON ELECTRICITY BOARD for five years from October 1. Mr. Plumptre will succeed Mr. Owen Francis who retires as chairman on September 30.

Mr. Norman Maris will be appointed chairman of Harrison of Birmingham, Harrison (Birmingham) Metals and Plastics Products, all part of the McKEENE GROUP.

Mr. James Patterson, a main Board director of Rio Tinto-Zinc Corporation, and chairman and chief executive of RIZ Industries, has joined the group.

Mr. Duncan J. MacLeod has been appointed a director of the Life of MacLeod, who has been a partner in the Glasgow office of Whitley Murray and Co., chartered accountants, since 1960.

Mr. John M. Dew and Mr. Paul M. Harris have been appointed executive directors of the LITTLEWOOD ORGANISATION from August 1. They will be responsible for the buying operations of the chain store and mail order divisions respectively.

Following the recent acquisition by PONTIN'S of the issued share capital of Ambrose Builders, Mr. T. J. Hemmings, founder and chairman of Ambrose Builders, has been appointed to the Board of Pontin's as an executive director.

Mr. Hugh Scanlon, president, Amalgamated Union of Engineering Workers, has been re-appointed chairman of the ENGINEERING INDUSTRY TRAINING BOARD, which has been reconstituted for a further three years.

Mr. John Sharkey has been appointed director of personnel, RECHARGEON ELECTRONICS, reduce his commitments on health grounds.

Mr. G. T. Coughtrie, vice-chairman of Reproline Parsons, has been elected to the board of the subsidiary company in process of formation and provisional ASSOCIATION (REMA) in suc-

Income Fund respectively. The aim of the income fund will be to provide a high level of income by investing in Ordinary shares, including those with a Scottish base, showing an above average yield and in Preference shares and high yielding gilts.

The capital fund will include Scottish-based companies likely to show better than average growth and there could be some overseas investment. The initial management charge on both funds has been reduced from 31 per cent. to 2 per cent. net.

The company, manufacturers of postage meter, mailing and business machines, is a subsidiary of Pitney-Bowes Inc.

Full year earnings are up from 2.02p to 2.12p per share and the dividend is raised to 0.8086p to 0.8763p net with a final of 0.4733p.

Turnover was £62.03m. (£59.27m. in 1974). Profit before tax was £2.2m. (£2.0m. in 1974). The company's sales and exports expanded from £155.5m. to £173.5m. and overseas sales were £134.4m. compared with £82.8m. After last year's £4.2m. to £5.5m. earnings rose from 4.5p to 7.5p per share.

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NORTH SEA OIL REVIEW

BY RAY DAFTER

New phase in N. Sea oil licensing

FIFTH round of offshore oil licences, published yesterday, in a few surprises. The announcement of a further oil round has contained itself and looks like being a potential commercial prospect.

There are other signposts worth noting: blocks 3/9, 3/10 and 3/14 lie close to Chevron's Ninian Field and Total's Alwyn Field; 9/9, 9/10, 9/14 and 9/15 are near to the Bruce and Beryl Fields; 23/16 and 23/26 are close to Lomond; while 30/17 and 30/19 are neighbours of the Auk/Josephine/Argyll cluster which lie on the other side of the median line from Ekofisk.

sharp contrast to the round in 1971-72, when blocks were offered, the offer comprises only 72 lots or part blocks (see accompanying map). Even this is higher than the 50 to 60 lots offered by the Government, many of the areas now for—particularly those in the three, nine, 23 and 30 series. The U.K./Norwegian line—cover small, sharply shaped pieces of the sea.

concessions

Fifth round includes a fair spread of possible concessions, ranging from designated areas in the North Sea Approaches and the Shetland Channel to possible gas fields in the Irish Sea, completely "wild" territory off the Western more enticing prospect in the Moray Firth.

ough the Moray Firth is highly faulted it does in some interesting prospect; consequently there could be a good deal of interest in the area of quadrant 13 and locations which lie close to the Piper and Clayfield fields and the nearby to finds. British Petroleum is most northerly blocks on 23/10 and 21/18. These immediately north east of

Lukewarm

These northern North Sea blocks, together with the Western Approaches—where there is a large sedimentary basin—should, in theory attract most oil industry attention. It remains to be seen how much response there will be to these new areas. Up to now companies have given the impression that their interest is lukewarm.

This attitude may, in part, be ascribed to competitive and political posturing. But companies have maintained for several months that the new areas would have limited commercial appeal, particularly in the light of the rise in exploration and development costs. An exploration well usually costs over £3m. It must be a fair bet that a substantial proportion of fields found under the fifth round terms will be in the marginal category.

Oil companies, therefore, have expressed surprise at the harshness of some of the licence conditions which, they claim, make the fifth round even more unattractive. The surprise is there because the industry recognises that the Government wants a good response to maintain exploration impetus in offshore waters.

Furthermore, Mr. Anthony Wedgwood Benn, Energy Secretary, will be seeking endorsement for his "mixed-economy" approach to new oil and gas development.

Although Mr. Wedgwood Benn has given some concessions to industry, by amending the draft terms for the licences, he has not gone far enough in the eyes of the oil industry. Two conditions, in particular, are worrying companies.

First, BNOG still retains the right to have a "carried interest" in the development of fifth round fields. As planned the Corporation would be able to join the development at a late stage in the programme, paying the oil industry partners its share of the costs plus interest at a market rate. Companies claim they are being expected to be bankers, that the terms would not compensate for the risks involved.

The industry and the Government are still in discussion over a possible compromise. But the Treasury is insisting it cannot give BNOG an open-ended commitment to spend as much as it likes on oil development (important restraint at a time of curbs on public spending) while oil companies maintain they want the funding of BNOG's interests to be removed from their balance sheets.

Secondly, the terms of relinquishing part of the new licence areas have been eased, but the industry is still worried that it may be forced to hand back to Government acreage with potentially productive zones. As it stands, the Secretary of State has some discretion covering relinquishments but naturally the industry would prefer to see an assurance in black and white. Mr. Wedgwood Benn feels that the companies' concern is unfounded. He expects an enthusiastic response to the latest offers.

OFF-SHORE ALLOCATIONS

1976

PREVIOUSLY LICENCED
5th ROUND OFFERS

NEW BLOCKS

ON OFFER

3/9 (part)

3/10 (part)

3/14 (part)

3/24 (part)

3/25 (part)

9/9 (part)

9/10 (part)

9/14 (part)

9/15 (part)

13/12, 13/14,

13/15, 13/16,

13/19, 13/20,

13/27, 14/11,

14/12, 14/13,

14/16, 14/17,

14/18, 19/2,

20/2, 20/6,

20/7, 20/8,

20/9,

23/16 (part)

23/26 (part)

30/17 (part)

30/19 (part)

83/22, 83/23,

83/24, 83/25,

83/27, 84/16,

84/17, 84/18,

86/13, 86/14,

86/15,

87/6 (part)

87/7 (part)

87/8, 87/9,

87/10, 87/11,

87/12,

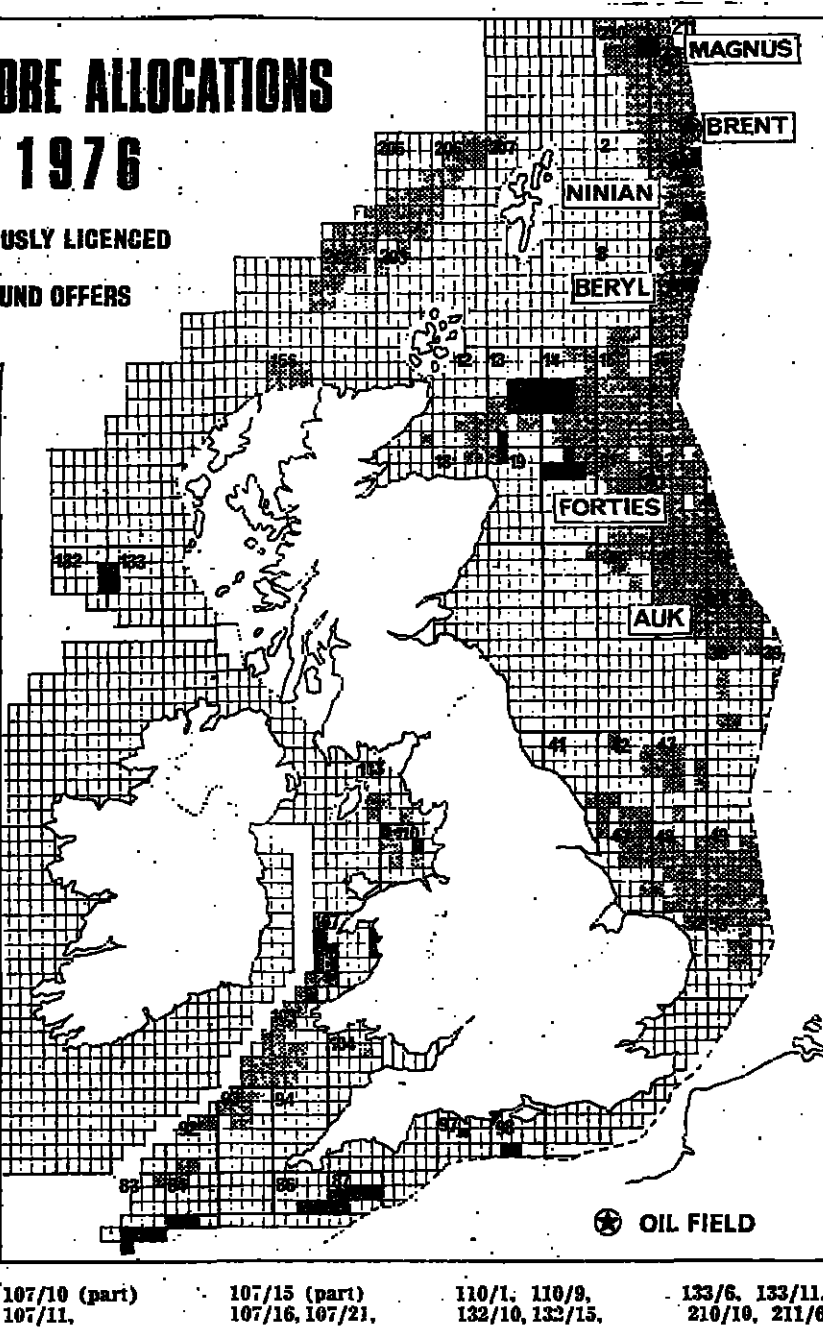
87/18 (part)

98/11 (part)

98/22, 98/23,

106/10, 106/15,

106/20, 106/25,



JAMES GOLDSMITH AND PRIVATE EYE COURT HEARING

Nonsense to say that I am trying to smash magazine'

JAMES GOLDSMITH, the owner of the magazine, yesterday said he was trying to smash the magazine's claim that he was prosecuting for criminal libel against the satirical magazine.

Mr. Goldsmith said he had denied belonging to the "Lucan circle," or that there was such a thing as the Lucan circle, but on the other hand those of that particular set were gay and clever people whom I knew when I was 16, and there is a certain relationship.

Mr. Lewis Hawser, QC, for Sir James, said Sir James had been the object of what Mr. Justice Wainman had described as a campaign of public vilification.



James Goldsmith and Lady Annabel Birley on their way to Bow Street Court for the start of the proceedings against the magazine Private Eye.

police investigations into the affair. Mr. Goldsmith said he was concerned the disappearance of Lord Lucan, after the family nanny and lack on Lady Lucan.

enerous

James told the court he was a friend of the missing earl. He said he had agreed to pay £100,000 which he had guaranteed Lord Lucan at the Mid-Bank.

he completely denied the story and said it had been the pivot of a campaign against him by the magazine.

swearing Mr. James Comyn, or the defendants, Sir James, he had tried to reach a friendly settlement before the magazine would allow the magazine survive intact, although

instructions, what Lady Lucan had told the police. All three suggestions were emphatically refused," said Mr. Hawser. "James had not been present at the luncheon."

Counsel said Sir James had made a statement and co-operated fully with police officers investigating the early disappearance. He then listed Sir James' directorships, headed by the chairmanship of Cavenham, the huge food combine.

Mr. Hawser told the court that Private Eye's solicitors had withdrawn the assertion that Sir James was present at the luncheon and apologised shortly before proceedings for criminal libel began in the High Court.

It is, of course, open to any newspaper or magazine when it discovers it has made a very serious error immediately to publish a full and complete apology. They don't have to wait for the victim to ask them to do it.

"On no occasion since December 12 has Private Eye, either in Private Eye or in any other way, publicly apologised and publicly retracted the statement it made in that article."

"Sir James Goldsmith is a public figure occupying key positions in very large commercial, industrial and financial enterprises in England and in many other countries."

"He has been subjected to a campaign of calumny and vilification culminating in, but certainly not stopping at, a totally unjustified, unauthoritative and, indeed, unjustifiable accusation of a serious criminal offence, that of playing a leading part in a conspiracy to obstruct the course of justice."

'Bomb scare'

No apology of any sort had been given until April 5 and none made publicly.

Sir James, called to give evidence, gave his occupation as company director and his business address as Leadenhall Street, in the City of London.

He verified a 10-page statement he had made. The statement said: "It is completely untrue to assert that I was a party at any time to obstruct the course of justice either alone or with others."

He had never been present at a discussion about what or what not to do if Lord Lucan turned up.

Mr. Comyn, cross-examining, asked whether there had been any breach of the peace arising from publication of the magazine's story on December 12.

Sir James: "I believe I am right in saying that there has not been any breach of the peace against myself, but there have been bomb scares at the offices of my solicitors and the Bomb Squad was called in accordingly."

"I am not suggesting for a second that Private Eye was responsible, however; that when a campaign of vilification takes place, the repercussions can sometimes lead to a breach of the peace."

Sir James agreed he had no direct evidence and could not date the bomb scares without referring to his solicitors' papers. He said repercussions of Private Eye's December 12 article had been "multitudinous and substantial" for him. The story

only against the first six paragraphs of Private Eye's article because the remainder did not justify criminal or civil proceedings.

Defence counsel had earlier read an extract from the untested section of the magazine's article which said: "In the City (Sir James) is known for his agility in dressing up the balance sheets of his various companies with house deals whereby large sums are transferred from one company to another for purposes which are not entirely clear to outsiders."

'Delighted'

Answering Mr. Comyn's question as to why he had not sued over this section of the article, Sir James said: "The first part of the article is a clear statement that I, in the words of Private Eye, the richest and most powerful member of this (Lucan) group, organised an obstruction of justice following a murder."

"That is what I consider to be a sufficiently serious libel to take the action which I have."

Asked whether he did not regard the remainder as making serious suggestions about himself, Sir James joked: "If you would like to take me into

further areas where I can take further proceedings, I would be delighted."

Sir James said that the untested paragraphs contained unpleasant suggestions about Dominic Elwes who committed suicide last November.

"Private Eye have made unpleasant suggestions about me in unpleasing issues. I have only picked out the most serious to take action. I think they are extremely distasteful and intrusive, particularly about Dominic Elwes."

Defence counsel read out a sentence from the article which said: "Elwes's suicide note said: 'I hope A. M. and J. (Annabel Mark and Jimmy) are happy now.'"

Sir James: "I regard it as the typical filth of this magazine. I regard it as a thoroughly disagreeable, serious and nasty attack but I don't regard this as part of the criminal libel proceedings."

Concluding two hours of defence submissions, Mr. Comyn said private disputes ought to be disposed of by actions in civil courts. He asked the magistrate to dismiss the summonses.

The magistrate adjourned the hearing until today, when he will consider submissions on behalf of Sir James.

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SWAN HUNTER GROUP LIMITED

GROUP RESULTS FOR THE YEAR ENDED 31st DECEMBER 1975

	1975 £'000	1974 £'000
TURNOVER	143,505	149,088
Group trading profit arising from:		
Shipbuilding	1,281	8,310
Shiprepairing	2,749	3,029
Marine and General Engineering	(1,934)	344
Civil Engineering and Building	152	(350)
	2,248	11,333
Share of trading profits less losses of associated companies	712	554
Investment Income and Interest Received less interest payable	2,146	1,958
Taxation	5,106	13,845
	883	6,403
Extraordinary items	4,223	7,442
Less: Taxation thereon	(4,096)	1,580
	2,339	(778)
	(1,757)	802
Attributable to Parent Company shareholders:		
Dividends on Ordinary Shares: Interim of 3,000p per share (1974 - 2,700p per share)	551	509
Proposed Final of 2,912p per share (1974 - 2,674p per share)	535	494
	1,086	1,003
Profits retained	1,379	7,241
Earnings per Ordinary Share:		
Excluding Extraordinary items	22.99p	40.51p
Including Extraordinary items	13.42p	44.88p

The Annual Report and Accounts will be posted to shareholders on the 20th August 1976. The final dividend if approved will be payable on 24th September 1976, to shareholders on the Register at the close of business on the 20th August 1976. Annual General Meeting, Royal Station Hotel, Newcastle upon Tyne, 14th September 1976 at 3 pm.

- The taxation charge of £-883m is stated after crediting prior years' adjustments of £1-385m.
- Prices for ships due to be completed in 1975 took into account the amount of Shipbuilding Construction Grants receivable in respect of these ships. According to 1975 shipbuilding profits are stated after crediting the final entitlement to Shipbuilding Construction Grants amounting to £4-283m and the 1974 shipbuilding profits have been adjusted accordingly to reflect the £3-0m of Shipbuilding Construction Grants credited as an extraordinary item in that year.
- As previously reported Swan Maritime Limited had to cancel orders for 13 tankers due to the collapse of the tanker market. Swan Hunter Shipbuilders Limited are liable to their suppliers for losses arising out of these cancellations but it is anticipated that settlement of claims will take some time to effect and at this stage no reliable guide can be obtained as to how much of the material can be utilised for other ships or disposed of. There exists an Agreement between Swan Hunter Shipbuilders and Swan Maritime which in any case permits Swan Hunter Shipbuilders to receive a sum in respect of each ship so cancelled amounting in total to £6-4m which has been retained by Swan Hunter Shipbuilders out of sums otherwise due to Swan Maritime. In view of the uncertainty, the Board has decided to provide as a contingency the sum of £3m in case the £6-4m from Swan Maritime proves to be insufficient.
- Accounts of Swan Maritime for 1975 are not available but the directors of Swan Hunter Group are of the opinion that although the equity subscribed for by the Group will be recovered, any distribution of profit is unlikely. For that reason the Board has written off the Group's share of profits of Swan Maritime to 31st December 1974 which was included in the 1974 Accounts in "share of profits of associated companies", thus reducing the balance sheet value of the investment in Swan Maritime to the amount of the subscribed equity.

Extraordinary items in 1975 are as follows:	£'000
Contingency provision relating to cancellation costs	3,000
Adjustment necessary consequent upon re-appraisal of value of Swan Hunter Group's investment in Swan Maritime	1,580
Adjustments relating to interests in other associated companies	(484)
	4,096

BEECHWOOD CONSTRUCTION (HOLDINGS) LIMITED

Extracts from the Statement of the Chairman for the year ended 31st March, 1976

- Group profit before taxation—£588,297 compared with £224,128 in previous year.
- Final dividend of 11.63% recommended making total of 16.63% for year (last year 15.25%).
- Turnover for year £7,657,559 (1975 £3,941,373).
- Board expects to improve on total profits in current year.

Directors:

I. S. SCOTT-MAXWELL, O.B.E. (Chairman)
M. C. THOMAS (Managing)
W. E. THOMAS
V. H. G. KNIGHT
J. C. R. DOWNING
K. B. FERGUSON
D. C. SIMPSON
W. B. JENKINS

A. COHEN & CO. LTD.

(Manufacturers of non-ferrous metal ingots, castings and metal powders)

The 65th Annual General Meeting of A. Cohen & Co. Ltd. was held yesterday in London.

The following are extracts from the circulated statement of the Chairman and Managing Director, Mr. R. N. Cohen:

Net profit for the year ended 31st December, 1975 amounted to £1,482,306 compared with £2,281,486 for the previous year. A final dividend of 14.88% is recommended making 32.33% for the year. 1974 was a boom year and most countries have been in recession during 1975, so I feel one should look at the 1973 figures when judging our performance in 1975. In 1973 we made a profit of £1,570,541 so I feel we should be happy with the results under review.

Bengal Ingot Co., Calcutta, became public in January. We now hold 25% of the equity. I reported last year that a stainless steel casting plant was to be installed and, based on the findings of independent experts, we are content that there is a big demand for stainless steel castings and that in due time, good profits will be made from this new venture.

Jacob Metals made reduced profits but in the circumstances, I feel they performed reasonably well.

Metal Sales (PTY) Ltd., South Africa, had a good year. I believe progress will continue to be made.

A deep recession occurred in Australia, resulting in considerably reduced profits, but I have high hopes for Nonferal Pty., manufacturing in a country which must have a great future.

The UK Foundries operated at the same production level as that of 1974 but profit margins were greatly reduced. Our aim has been to keep all our workpeople occupied, and a great effort was made by all concerned to this end.

This year started with a prospect of an end to the recession although I doubt if we shall see a real up-turn before the autumn. By the end of 1976, I believe, I shall be able to report reasonably good results.

WALL STREET + OVERSEAS MARKETS

\$ and £ decline

BY OUR WALL STREET CORRESPONDENT

EARLY FIRMLINESS on a Press survey which showed a 35 per cent jump in second-quarter earnings from a year earlier, lacked follow-through support on Wall Street today, and the Market resumed its downward trend.

After opening 1.10 up at 982.43, the Dow Jones Industrial Average reacted to 977.69 by 1 p.m. for a net loss of 3.73. The NYSE All Common Index shed another 14

cents to 854.92, while declining issues topped advances by a five-to-four margin. Trading volume decreased 1.69m, shares to 7.81m, compared with 1 p.m. yesterday.

While the Survey showed economic resurgence, investors were disturbed by the Commerce Department's report that its June Index of Leading Economic Indicators registered the smallest

increase in seven months. The report also showed uncertainty about the third quarter.

There has been little reaction to the decisions of four major banks to lower their prime lending rate this week to 7 per cent from the prevailing 7 1/4 per cent level.

Many investors were waiting for the Federal Reserve Board to report on the nation's money supply after the Stock Market closes.

Selected issues responded to Corporate developments, including takeover candidate Rawley Beryll, which jumped \$2 to \$13.10. Moly Corp. plans an offer for up to 1m common shares at \$13.50 each. Moly Corp. slipped \$1 to \$22.

General Motors eased \$1 to \$67.10, despite sharply higher profits. National Semiconductor fell another \$1 to \$38.00 on manufacturing problems with its digital watch manufacturing operations.

Fairchild Camera shed \$1 to \$46.10 on lower profits. The American SE Market Value Index was off 0.11 at 105.62, while the turnover rose 120,000 in 890,000 shares compared with 100,000 in 890,000 shares yesterday.

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OTHER MARKETS

Canada firm

Canadian Stock Markets turned firm in light trading yesterday morning.

The Industrial Share Index put on 0.26 to 183.61. Base Metals 0.17 to 91.40. Western Oils 0.39 to 25.08. Utilities 0.79 to 142.72. Banks 1.22 to 240.82 and Papers 0.13 to 116.61. But Golds lost 1.37 to 240.13.

Alecan Aluminum shed \$1 to \$28.10. Steel Canada rose \$1 to \$27.10. Steel Canada of Canada added \$1 to \$27.10 on a better second quarter.

In Banks, Canadian Imperial rose \$1 to \$23.10 and Provincial Bank \$1 to \$13.10. Amco Oil Producers Dome Petroleum up \$1 to \$40.10.

PARIS—Generally mixed in a fairly quiet session. The weakening of the franc on the Exchange Market had sapped some of the enthusiasm of the past two days.

Portfolios, Bonds, Mechanicals, Electricals, Metals and Chemicals mostly advanced, while Stores were weaker. Other sections were irregular.

Gold Mines dropped back in the foreign sector, where American firms put Dutch issues were easier. International Oils

to \$41, and Syntex lost \$1 to \$40.10. Copper were mixed while Coppers were weak.

BRUSSELS—Mostly lower in continued slow trading.

Non-Ferrous Metals gave away. Stocks were mixed while Utilities and Electricals edged.

Chemicals lost ground, (10% finished steady, while Holdings were mostly unchanged.

U.S. stocks were narrowly irregular. South African Golds declined. French and German sectors were lower, while Dutch issues were steady.

GERMANY—Shares fell across the board in thin trading, with investors showing little interest and brokers balancing books for the end of the month.

Engineering lost more than 1% with MAN down DM16 to 108.43 and KHD DM10 to 101.

In Stores, Kaufhof fell DM13 to 223 and Karstadt DM13 to 385. VEBa declined DM12.20 and Thyssen DM12.20. Mannesmann gave way DM13 to 332, while leading Chemicals, Electricals and Metals shed up to DM3.50.

AMSTERDAM—Mixed in dull trading.

KLM shed F10.60, with the most apparent discounting its profit figures.

Most Shippings and Insurances fell, while Industrials and Trading stocks were mixed.

Ennia's plan to make a F150m issue depressed the Bond Market.

SWITZERLAND—Markets were mixed in a light turnover.

Banks, however, gained slightly. Financials were irregular, while Insurances were little changed.

Leading Industrials were irregular and State Bonds also were mixed.

Dollar stocks and Germans declined, while Dutch issues were barely steady.

VIENNA—Quietly steady.

MILAN—Stocks eased in hesitant trading, following continued political uncertainties and a new black-out caused by a 24-hour strike of newspapers.

COPENHAGEN—Mixed in fair dealing.

OSLO—Banks and Shippings were maintained, while Insurances and Industrials were quiet.

JOHANNESBURG—Gold shares generally declined, reflecting the lower bullion price abroad.

Commonwealth Mining rose 2 cents to R107. South African Manages moved up 20 cents to R50.

Industrials also were lower in quiet trading, following continued political uncertainties and a new black-out caused by a 24-hour strike of newspapers.

CHINA—Light were up 10 cents to SHK20.20 and Hong Kong Telephone 20 cents to SHK20.20.

But Hutchison shed 2 cents to SHK18.025. Jardine rose 1 cent to SHK20.20 and Swire Pacific "A" shares to SHK20.20.

Most Shippings and Insurances fell, while Industrials and Trading stocks were mixed.

Ennia's plan to make a F150m issue depressed the Bond Market.

SWITZERLAND—Markets were mixed in a light turnover.

FOREIGN EXCHANGES

YEN

The U.S. dollar continued to weaken in the foreign exchange market yesterday, with sterling, the other currencies in the joint

move, and the French franc, the only European currencies not to improve against the U.S. unit.

The dollar remains depressed by the recent disappointing trade figures, cuts in U.S. banks prime lending rates, and a slow down in the rise of leading economic indicators.

This weakness is leading to renewed demand for the stronger European currencies and may also be reflected in the decline of the pound and the French franc.

The dollar's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York, widened to 2.08 per cent from 2.02 per cent.

The French franc's depreciation, on a similar basis, widened to 1.18 per cent from 0.50 per cent, while the pound's trade-weighted depreciation, according to Bank of England figures, widened to 3.87 per cent from 3.83 per cent, after standing at 3.85 per cent at noon and 3.83 per cent in early dealing.

Sterling opened at \$1.7880-1.7890 in terms of the dollar, and touched \$1.7880-1.7890, before falling to \$1.7880-1.7890. At the close the pound had improved slightly to \$1.7880-1.7890, a fall of 40 points on the day. Trading was fairly subdued, however, with most interest centred around the dollar, French franc, and members of the European currency "snake".

The West German mark was very firm, closing at DM2.5540 against the dollar, compared with DM2.5535 previously.

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EXCHANGE CROSS-RATES

RIGHTS RATES

Values are for currencies against the U.S. dollar, as calculated by the International Monetary Fund in Washington.

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ARMING AND RAW MATERIALS

Brazil's coffee purchase lifts prices

RICHARD MOONEY

THE FUNDAMENTAL supply/demand position as the coffee will still come onto the world market eventually. But the deal has had a firming effect on prices since Brazil is regarded as a stronger holder of coffee than El Salvador, and it is not likely that the coffee will come onto the market in the near future.

No prices have been announced, but the total cost of the deal is put at \$100m. This would indicate a price of around £1,500 a tonne—much higher than the current price of £1,200 a tonne. But since the quality is unknown little significance can be attached to the apparent price level.

An El Salvador coffee official said the coffee is to be freeze dried and re-exported from Brazil. He said none of it is intended for domestic consumption.

Brazil is also reported to be interested in Ivory Coast coffee. Trade sources in Abidjan said Brazil is currently negotiating

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U.S. copper price rise rumours discounted

By Peter Bullen

THE U.S. PRODUCER price of copper received scant attention in London metal markets yesterday.

Traders in the London Metal Exchange's copper market felt another rise coming soon after the last which was announced on July 1, could hardly be justified by price trends since then. By the end of the day cash wire-bulk prices were £2.15 higher than Wednesday's close at £325.75 a tonne.

All the other metal markets closed lower. Standard cash tin was £40 down at \$4712.5 a tonne, cash zinc was £1.5 lower at \$432.5, and cash lead £3 down at £288 a tonne.

Pakistan may need emergency cotton imports

OSAKA, July 29

PAKISTAN PLANS to make emergency imports of between 30,000 and 50,000 bales of raw cotton to cover a shortfall caused by a poor crop in the past year, a Japanese trading house said here.

Toyo Menka Kaisha said Pakistan produced about 3.7m. bales for the year, a decline of about 300,000 bales from the previous year, due to bad weather.

Japanese trade circles said some Japanese trading firms are expected to offer to supply cotton to Pakistan for its planned emergency imports.

Rhodesian tea output setback

RHODESIA'S major tea producer Tandanora Tea Estates, says its production has been adversely affected by security conditions in the eastern part of the country. These conditions have given rise to an exodus of African labour during the critical plucking period and as a result the tea crop has fallen 12½ per cent, to 2,450 tonnes from 2,800 tonnes last year.

DEARER EGGS

INCREASED DEMAND led to a rise in the half shell selling price of eggs yesterday. It will mean large eggs will cost 2p a dozen more in the shops next week, standard 3p more and medium 1p.

U.K. AGRICULTURE

Bleak future facing many trainees

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

IN THE early thirties I took a berth in a cargo ship from Buenos Aires to Rotterdam. It was a long sea passage of which I have the same story in most other lines of production.

"Ah," say the proponents of training, "this means that the new farm worker must be a man trained for these responsibilities. With all respect to the training pundits, I doubt if the qualities needed for managing a big dairy or even a farm can be taught at their level. Two of the best farm managers I have known each left school at 11 years and all through their working lives were able to adapt to the many changes which have come

career, and that they are not given sufficient warning of their prospects.

Most young men who go into farming want to be on their own one day. The chances of their doing so at the moment are minimal unless they marry wealthy, or inherit wealth or land. The opportunities for farming in the country and in most other parts of the West are reserved for members of the families. This was always to some extent the case. I was fortunate, together with many others, to start my farming in the 30s when the depression had wiped out many young men. A depression would give similar opportunities to-day, but its a poor sort of peg on which to depend as there is no certainty of it ever happening.

What is more certain is a tension of family farming where quite large farms are run by the farmer, his family and perhaps casual workers and contractors. The latest fiscal arrangements seem to encourage this trend as the smaller owner-occupier will be much more able to pass on his farm to his family. There is also the proposed security for tenants' successors and also the family farming in the rule. There is no question that European governments do favour the family farm and in some cases discriminate against the larger ones. In livestock production, in particular, the economic circumstances make it seem inevitable that this form of production will remain in family hands. As we become increasingly harmonised with Europe I am certain the same will happen here.

The prospective abolition of the tied cottage is another factor to be considered. Farmers will be loath to expand or even maintain livestock and other systems, which depend on employees living near their jobs if they go longer can be certain of housing them. Although the aims of the NUAU in seeking this measure are understandable it is doubtful if it realises that its likely effect will be for more workers to leave the land or not to be replaced.

This is a bleak picture for the new entrant, but I think an accurate one and it should be made compulsory reading by all applicants for places in the seats of agricultural education before they fill in their application forms.

They had the basic skills, learnt the hard way at the wrong end of the head carter's whip. Lively intelligent and able to take responsibility. It is doubtful if they would have even entered farming to-day. Modern education would have presented other opportunities and they would have had the intelligence to recognise farming as an occupation in which the job opportunities were shrinking faster than in most others. I am not saying that the modern entrants to the industry are naturally stupid, but that they don't appreciate the probable future course of their chosen

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Why Manbrè is resisting £44m. bid

FITH LEWIS

AND GARTON'S opposition to last Wednesday's £44m. take-over bid by Tate & Lyle rests not only on the offer, but mainly on considerations of the future of the company. Board believes that should be allowed to be a separate company, but taken over on the one hand, it would be a rationalisation of the company's operations in a way that is not one monopoly.

It calculates that if Tate succeed in its take-over the enlarged group would be 59 per cent of the market in this country, 50 of the European market, a consequence, 57 per cent in sweeteners, per cent of the starch

Manbrè on the monopoly aspects of the bid.

The Manbrè letter states: "Manbrè and Garton recognise that it has been Government policy for some years to encourage co-ordination in sugar in the interests of rationalising cane refining capacity and have, since the start of the Independent Industry Enquiry in 1971, agreed to a number of schemes (all ultimately frustrated by one of the other parties) that would have implied merging their sugar interests into a joint com-

pany for the purpose of rationalisation. In all these plans Government involvement was an essential element. In view of the lack of progress of joint discussions over the past few years, Manbrè and Garton have decided to pursue the rationalisation of their refining assets, but would still be prepared to take part in a joint scheme with Government approval.

"Tate & Lyle claims that rationalisation of the cane sugar refining industry can only be achieved by take-over of Manbrè

SWEETENERS

Glucose syrups and sugar are becoming increasingly interchangeable in the industrial market, which accounts for more than 45 per cent of U.K. sweetener consumption.

In terms of volume, market shares for 1977 are estimated as follows:

	Sugar	Glucose	Total
	%	%	%
Tate & Lyle	44	59	50
Manbrè & Garton	15	24	16
Tunnel	32	24	28
Rush Sugar Corporation	32	16	24
CPC	9	3	8
Albion	100	100	100
Others (imports)	2,300	2,300	2,300

Manbrè & Garton's share of the starch market in 1977 (in terms of volume) will be 13 per cent, while Tunnel (in which Tate & Lyle has a third share) will have 4 per cent, and Tunnel-Avebe (jointly owned by Tunnel and the Dutch potato starch co-operative) 24 per cent. Apart from these CPC (a subsidiary of Corn Products of the U.S.) will have 32 per cent, Albion/KSH of Holland 9 per cent, and others 8 per cent.

IMMEDIATE MARKET REPORTS AND PRICES

SE METALS

ANALYSTS' Metal Trading reported that in the morning cash metals traded at 292.5, three months 292.5, six months 292.5, and twelve months 292.5. The market was quiet, with a slight rise in the afternoon. The market was quiet, with a slight rise in the afternoon. The market was quiet, with a slight rise in the afternoon.

COFFEE

Robusta futures closed very steady at 142.5, three months 142.5, six months 142.5, and twelve months 142.5. The market was quiet, with a slight rise in the afternoon. The market was quiet, with a slight rise in the afternoon.

RUBBER

Latex futures closed very steady at 142.5, three months 142.5, six months 142.5, and twelve months 142.5. The market was quiet, with a slight rise in the afternoon. The market was quiet, with a slight rise in the afternoon.

SUGAR

London daily price (raw sugar) closed very steady at 142.5, three months 142.5, six months 142.5, and twelve months 142.5. The market was quiet, with a slight rise in the afternoon. The market was quiet, with a slight rise in the afternoon.

PRICE CHANGES

Prices per ton unless otherwise stated.

July 29 - 1976

1976

1976

U.S. Markets

NEW YORK, July 29

PRECIOUS metals eased on renewed speculation of a rate hike. Gold futures closed at 142.5, three months 142.5, six months 142.5, and twelve months 142.5. The market was quiet, with a slight rise in the afternoon. The market was quiet, with a slight rise in the afternoon.

NOTICE TO SHAREHOLDERS OF POL PETROLEUM LIMITED

OFFER DECLINED UNCONDITIONAL. The Board of Directors of Pol Petroleum Limited (the Company) has declined the offer of takeover by the Pol Petroleum Group (the Offeror) made by way of a general offer of shares in the Company.

PERSONAL

DO YOUR CLIENTS FIND YOU ENTERTAINING? Your chauffeur-driven Rolls-Royce Silver Shadow service might well PAY YOU.

GRAINS

THE BALTIQ-Imported gains experienced very quiet trading conditions with prices generally trending easier where changed.

Wool Futures

LONDON—Market slightly firmer on marked overseas improvement, reports better.

MEAT/VEGETABLES

STEWART FIELD (pence per pound) - Beef: Scotch killed sides 12.0 to 12.5; U.S. killed sides 12.0 to 12.5; U.S. killed sides 12.0 to 12.5.

VEGETABLE OILS

LONDON PALM OIL—In light trading conditions, the market again opened on a firmer note although the physical sector, reports from Fairchild, was mixed.

ICE PLUS VOLUME

W METALS CHARTS comparison in charting with trend lines. A must for all metal traders. Weekly at £22.50 p.a. for first copy before you subscribe.

FREIGHTS

DRY CARGO—Chartering again buoyant and interest largely centred on the transatlantic sector where a vessel of 70,000-ton dry was booked for four to six months trading commencing early in 1977.

COCA

Prices continued to hold steady in moderate active re-way business, reports GRI and Duffins.

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INSURANCE, PROPERTY, BONDS


[illegible]

FOOD PRICE MOVEMENTS

	July 29	Week ago	Month ago
IN	£	£	£
British A1 per ton [†]	570	570	570
British Special per ton [†]	530	550	550
British A1 per ton [†]	850	850	850
Winter A1 per ton [†]	850	850	850
ER (packed)			
£ per 20 lbs	9.24-9.39	9.24-9.39	9.34-9.32
£ per cwt	49.24-51.50	49.24	49.24
£ when salted per cwt	53.30-55.83	53.30-55.83	53.30-55.30
NET			
British cheddar rindless			
per tonne	950.79	950.74	950.79
£ per tonne	872.5	872.5	872.5
Some prod. Standard			
Large	2.40-2.53	2.30-2.50	2.35-2.53
Small	3.50-3.80	3.50-3.70	3.70-3.00
	July 29	Week ago	Month ago
per pound	p p	p p	p p
British killed sides			
(see KKCF)	43.0-45.5	42.0-45.0	40.0-44.0
are (fore-quarters)	31.0-33.0		25.0-28.0
British			
£ PLM	37.0-40.0	40.0-42.0	40.0-42.0
£ PLM	36.5-39.5	38.0-39.5	39.0-39.5
all weights	27.0-33.0	26.0-33.0	24.0-32.0
ON			
British ewes	14.0-18.0	15.0-18.0	—
TRY			
British chickens	28.0-30.0	28.0-30.0	28.0-29.0
London Ex. Exchange	price per	120 eggs	† Delivered
Delivery July 18-August 1.			

[illegible][illegible][illegible]

OFFSHORE AND OVERSEAS FUNDS



Dfls. 60.000.000,-
6% bearer notes of 1972 due 1976/1979
of
**THE BRITISH PETROLEUM
COMPANY LIMITED**
(Incorporated in England with limited liability under
the Companies (Consolidation) Act 1908)

As provided in the Terms and Conditions
Redemption Group No. 2, amounting to
Dfls. 15.000.000,- have been drawn for redemption
on July 15, 1978 and consequently the Note
bearing consecutive number 2 and all Notes bearing
a consecutive number which is 4 or a multiple of
4 higher than 2 are payable from
September 1, 1976

at
Amsterdam-Rotterdam Bank N.V.
(Central Paying Agent)
Pierros, Heldring & Pierson N.V.
Bank Mees & Hope NV
Algemene Bank Nederland N.V.
in Amsterdam
and
Banque Générale du Luxembourg S.A.
in Luxembourg

July 30, 1976

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[illegible]



Amin halts take-over cash talks

BY QUENTIN PEEL

NAIROBI, July 29.

PRESIDENT AMIN of Uganda has tonight retorted against Britain's decision to break off diplomatic relations by declaring that talks on the compensation of British companies nationalised in the country were effectively suspended.

The total value of British investments in Uganda is estimated at £250m, while the total claim in the compensation talks is not more than £100m.

Uganda had never intended itself to sever diplomatic relations with Britain, declared the President. But he accused the British Government of being involved in the Israeli commando raid on Entebbe Airport, and of encouraging the Kenyan Government to put pressure on Uganda.

In a long telegram to the Commonwealth Secretary-General, Mr. Shridath Ramphal, the text of which was read on Uganda Radio, President Amin said he could not be held responsible for closing the question of compensation for the assets of British nationals expelled from Uganda in 1972.

In addition to the assets of British Asians which were expropriated, several major British operations were nationalised in the "economic war" declared in 1972, including Brooke Bond, British-American Tobacco, Securicor, the Lornho-owned newspaper Uganda Argus, and Chillingham Tools of Wolverhampton.

Promised
There was no indication, however, from President Amin's message that assets still owned by British companies in the country would be threatened.

Britain had broken relations at a time when Uganda was ready to complete arrangements for the compensation of British assets, he said. "I should like the world to know that I myself promised to pay compensation, and my Government is not responsible for closing that chapter."

The message went on to say that because President Amin had himself declared the economic war in Uganda, no other person could be held responsible for the

debts, which could only be finalised "during my lifetime as president."

But the Ugandan leader, asking that his telegram should be passed to the Queen and all Commonwealth member states, declared that his Government was "not against Great Britain."

The Britons still in Uganda were "free to stay if they wish," he said. "But those who do not abide by the laws of Uganda will be dealt with accordingly."

Because Britain had given no reason for the diplomatic break, "it therefore appeared that she was deeply involved in the Israeli raid on Entebbe," he said. He admitted that relations between Uganda and Kenya had been "cool" since the raid, "but I have done my best to ensure understanding."

Wary reaction

The reaction of British business interests in Nairobi to the diplomatic break was wary, although it appears that most of the companies still operating in Uganda have pulled out practically all their expatriate staff working there at least temporarily. The number of British nationals still thought to be in Uganda is put at around 250.

Our foreign staff adds: President Amin's withdrawal of what he called yesterday his promise to pay compensation "makes little difference, according both to the Foreign Office and to London executives of some of the claimant British businesses."

Both say the compensation negotiations were making no headway even before Wednesday's break in diplomatic relations. The total British claim is for more than £100m, of which £60m concerns Asian businesses expropriated in 1972. Most of the claims, certainly all those of the smaller businesses, were being handled by the British Government.

Nor was it ever clear where President Amin would get the money to pay compensation. One British businessman admitted last night that his company was relying on the Amir's Arab friends, probably the Libyans, to provide the money.

Dublin takes tougher anti-IRA measures

BY GILES MERRITT

TOUGHER NEW anti-IRA measures were drafted yesterday by the Irish Government during a lengthy four-and-a-half hour Cabinet meeting specially called to consider the stepping-up of the Republic's counter-subversion drive.

After last week's assassination of Mr. Christopher Ewart-Biggs, the British Ambassador in a landmine ambush outside his Dublin residence, the Irish Government is convinced that it now faces an all-out Provisional IRA terror campaign.

The Daily (Parliament) is to be recalled within the next ten days to approve the Government's stringent new laws. But exact details of the clampdown have not yet been revealed.

It had been expected that the measures would be outlined after today's Cabinet meeting, but officials were prepared only to hint at a package of measures considerably more sweeping than had been generally anticipated. The re-introduction of internment without trial—last used in the republic 15 years ago—is not

being ruled out, although it seems much more likely that the Cabinet has opted to establish military courts as an alternative.

The Government's powers to set up such courts already exist under the republic's sweeping 1939 Offences Against the State Act, and there was speculation that as a deterrent to terrorism the military courts could once again pass death sentences by firing squad.

The use of military tribunals would clearly parallel the continued existence of Ireland's Special Criminal Court, which functions without a jury. Senior Government sources have already indicated that the prison terms available to the courts are to be greatly increased. The maximum sentence for IRA membership will probably rise to five years, from the present two.

At the same time, it appears that new laws will aim at suppressing most outward shows of extreme Republicanism, such as the Provisionals' Sinn Féin political meetings and the publication of their newspaper.

Spending cuts package fails test—Methven

BY JAMES McDONALD

LAST WEEK'S package of spending cuts in the public sector and of higher National Insurance contributions by employers was widely regarded by industry and others as an acid test of the Government's determination to make its new industrial strategy work.

"They failed the test," declared Mr. John Methven, director-general of the Confederation of British Industry, in his first major speech as head of the CBI.

Mr. Methven, speaking in Nottingham, said: "It is a prime duty of any government to create the climate in which industry can succeed. It must make it clear that this means in terms of priority over other national issues and then it must stick to it."

The package of spending cuts and increases in employers' National Insurance contributions last week was another example of "an opportunity sadly missed."

He asked: "Did the Government drop its highly controversial and costly nationalisation plans? Was it ever even considered to repeal the immensely costly Community Land Act?"

In these areas, he declared, the Government could have saved painlessly. Instead the Government chose the easy option of adding another £1bn a year to industry's payroll costs.

Mr. Methven outlined six objectives which, he said, would put the U.K. where it wants to be:

● We want to put an end to inflation—a disease which strikes at the heart of our Society.

● We want to bring unemployment down to acceptable levels—the Government's target is 3 per cent by 1979.

● We want to restore an adequate level of profitability to British industry and we want to see the conditions created for a much higher level of productive investment.

● We want to see taxation cut.

● We want to see more resources shifted to productive investment and exports, so that we can increase again our share of goods which has fallen sharply from 15 per cent in 1959 to 8.5 per cent in 1974.

● We want to see sterling strong and stable, with the world respecting us once again as a great trading nation."

Manbré bid may face probe

BY KEITH LEWIS

THE OFFICE of Fair Trading has issued a statement which opens the possibility of referring Tate and Lyle's disputed bid for Manbré and Garton to the Monopolies Commission.

"The OFT has not come to any firm conclusions as to the advice to be given to the Secretary of State for Prices and Consumer Protection."

"Tate and Lyle approached OFT before the proposed bid became public knowledge and asked for confidential guidance on the prospects of a reference to the Monopolies and Mergers Commission."

"The OFT gave Tate and Lyle confidential advice, subject to the usual provisions that this guidance was on the basis of the information Tate and Lyle has provided and at that stage, OFT had not heard the views of Manbré and Garton or of other interested parties."

"The confidential guidance treated separately the sugar and non-sugar aspects of the proposed merger and was completely non-committal on the latter."

Manbré's defence, outlined in a letter sent to shareholders yesterday, rests almost solely on the monopoly aspects of the merger, rather than any criticism of the price—though in earlier statements this, too, was described as inadequate.

Talking

Manbré argues that it should retain its independence and that a Tate and Lyle take-over would result in not one monopoly but four.

This is a reference to Manbré's calculations that an enlarged group would have 59 per cent of the sugar market in this country, 50 per cent of the glucose market and, as a result, 57 per cent of the sweeteners market and 51 per cent of starch.

The OFT is no considering the evidence provided by Manbré and is also talking to industrial consumers such as representatives of the brewing, confectionery, soft drinks and ice cream industries.

The Manbré share price, which has risen from 131p since the beginning of this month and has seen a peak of 184p in recent declines, eased back 3p to 169p yesterday. Tate hardened 1p to 239p.

Manbré's reasons, Page 23
Men and Matters, Page 14

Bread likely to go up 1p

By Donald Maclean

BREAD PRICES are likely to rise by 1p a loaf on August 9, Mill Shirey, William's, says for Prices and Consumer Protection, said in answer to a Commons question yesterday.

The increase is the result of a reduction in the bread subsidy from £4.06 to £3.98 from August 8—with a consequent saving of £10.1m in the current financial year—and of major baking companies proposing to make price increases of 1p a loaf from August 9, mainly because of increases in the cost of flour which have come in the wake of increased wheat prices.

In Northern Ireland, the general increase will be 1p, reflecting the change in the subsidy.

Let solicitors advertise, says Monopolies Commission

BY A. H. HERMANN

SOLICITORS in England, Wales and Scotland should be free to advertise their services, according to recommendations of the Monopolies and Mergers Commission published yesterday.

In four separate reports—on restrictions on advertising by the legal profession, the Commission concludes that the acceptance of these restrictions by English and Scottish solicitors and by English barristers and Scottish advocates gave these four branches of the profession a monopoly.

In the case of solicitors, this operated against the public interest and the restrictions should be lifted. In the case of barristers and advocates, the restriction was not against the public interest and should be allowed to continue, though the Bar Council should improve the dissemination of information on barristers to solicitors and the Faculty of Advocates should do the same in Scotland.

Mr. John Fraser, Minister of State in the Department of Prices and Consumer Protection, told the Commons yesterday that the Director General of Fair Trading is being asked to initiate discussions with the professional bodies concerned.

NEB in clash with Varley on Rolls-Royce

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

A CLASH developed last night between the National Enterprise Board and Mr. Eric Varley, Secretary for Industry, over the value put on the Government's shareholding in Rolls-Royce (1971).

Mr. Varley told the House of Commons yesterday that he had arrived at a valuation of £195.3m. for the shares and loans in R-R (1971) and that he had consented to their transfer to the NEB.

But in a statement issued later, the NEB implied that this valuation was too high. The effect will be to make the NEB's return on capital appear to be lower than it might have been when the accounts are published.

The NEB statement said that "after having obtained outside professional advice, the NEB is unable to satisfy itself that the sum of £195.3m. represents an appropriate valuation of the securities transferred to the NEB."

"This view has been made clear to the Secretary of State and a note to this effect will be included in the NEB's first annual report and accounts."

There is no chance for the NEB to press its point, however. Under the terms of the Industry Act, any transfer of securities from the Government

to the Board does not have to be agreed by the NEB. The valuation is entirely a matter for the Secretary for Industry, with the approval of the Treasury.

The NEB's complaint is connected with the formula used to value R-R (1971). This took into account, among other things, the costs and expenses of the company, and of the work brought into public ownership. Obviously, the NEB feels these costs have been put at too high a figure.

However, it refused to make any comment beyond its formal statement last night and would not give any indication of what it believed the valuation should have been.

As for the NEB's attention to return on capital, the Industry Act only specifies that this should be "adequate."

Leyland

Mr. Varley also told the House, in a written reply, that he had fixed the value of the Government holdings in British Leyland at £356.48m. (including a £10m loan) and that they would be transferred to the NEB.

Government loans in Ferranti (£8.4m.) and Cambridge Instrument Company (£3.25m.) were also being transferred.

Electricity prices 'pegged until April'

BY ARTHUR SMITH

ELECTRICITY PRICES will be pegged at least until next April, Sir Peter Mendies, the Electricity Council chairman, forecast in London yesterday.

He was commenting on the council's 1975/6 results which disclosed an £8.5m. profit—a dramatic improvement on the £255m. loss incurred in the previous year.

Further improvement is expected in the next year and Sir Peter hoped to be able to announce "a quite reasonable profit" in relation to the industry's turnover of around £3.5bn.

The news from the electricity industry follows quickly on improved results from the Post Office, gas and coal. As the table shows, British Steel Corporation and British Rail were the heaviest loss-makers in 1975-76.

Sir Peter said the council's profits, achieved after interest payment of £424m., should "help to dispel some of the ill-advised criticisms often directed at a nationalised industry."

In the current year the council for the first time had a surplus, despite a period of sluggish sales. Electricity consumption was a fairly accurate barometer of industrial activity and there

were encouraging signs of an upturn.

Sir Peter was optimistic that prices could be held, but he added the important reservation that increased charges for coal or oil could frustrate the plans. Oil and coal currently represented about 50 per cent of the cost of supplying electricity.

Sir Arthur Hawkins, chairman of the Central Electricity Generating Board, warned that there was no prospect of a sudden take-off in demand for electricity. Consumption was likely to stabilise and then grow slowly over the next seven years.

There was no case on the grounds of electricity growth to justify placing orders for new power stations of any type for at least several years, Sir Arthur maintained.

Sir Peter made some strong comments about the problem of the Central Electricity Generating Board, which he said was the job of Government to identify and help people in the main body of customers, he declared.

Chairman optimistic, Page 8

SURPLUS (DEFICIT) OF THE BIG NATIONALISED INDUSTRIES (£m.)				
	1972-73	1973-74	1974-75	1975-76
Gas	5	(41)	(44)	25
Railways	(131)	(147)	(314)	(382)
Electricity	(23)	24	62	(245)
Coal	(11)	(178)	(264)	7
Post Office	(99)	(261)	(68)	(27)
Post Office	(64)	(128)	(307)	148
TOTAL	(303)	(731)	(935)	(494)

Figures relate to the surplus (deficit) after taking into account depreciation, interest, taxation and dividends, but before Government subsidies and compensation.

Sources: NEDCO; published reports

Filling a gap

The removal of restrictions on solicitors' advertising is the first step towards the modernisation of the legal services which, in a wider framework, has been considered since the beginning of this month by the Royal Commission on Legal Services under the chairmanship of Sir Henry Benson, a partner of Cooper Brothers, the City accountants.

According to the Monopolies Commission, advertising should increase competition between solicitors and facilitate new entry into the profession—a matter of great importance for breaking local monopolies as well as for obtaining a better distribution of solicitors, who are now

mainly concentrated in higher income areas. Advertising should also help neighbourhood law centres to fill a gap in the legal services.

It remains to be seen whether advertising will soften the conservancy monopoly, which was confirmed in the High Court last week, and whether it will lead to greater efficiency and lower costs.

The commission's recommendations are qualified in a way which will eliminate any "hard sell" approach. It said that future rules, while allowing advertising, should prohibit all claims that the advertiser's practice is in any respect superior to any other.

The Law Society will continue to exercise considerable power with the help of the proposed rule that, while making clear that the solicitor seeks clients, his advertisement should not be likely "to bring the profession into disrepute."

Services for Solicitors in England and Wales (HC 557), H.M.S.O. £1.59; Services of Solicitors in Scotland (HC 558), £1.24; Barristers—Advertising Restrictions (HC 559), £1.14; Advocates—Advertising Restrictions (HC 560), £1.04.

Editorial comment, Page 14

THE LEX COLUMN

Swan Hunter hold its breath

Swan Hunter's preliminary statement suggests that its exposure to the problems of Maritime Fruit Carrier is not quite as great as might have been feared. Admittedly shipbuilding has only emerged with profits of £1.3m. as a result of a decision to take the final instalment of the construction grant (£4.4m.) above the line. Marine engineering has swung into losses as a result of work for the 25 per cent owned Swan Maritime associate. And extraordinary items include provisions of £4.6m. before tax relief, against liabilities on the 13 tanker orders cancelled by Swan Maritime and against the balance-sheet value of this associate. But there is some better news, too.

The most important is that the group evidently expects to collect its £6.4m. of cancellation compensation from Swan Maritime. This amount has actually been retained out of sums otherwise due to the associate in respect of contracts which were sold at a premium in the shipbuilder's name.

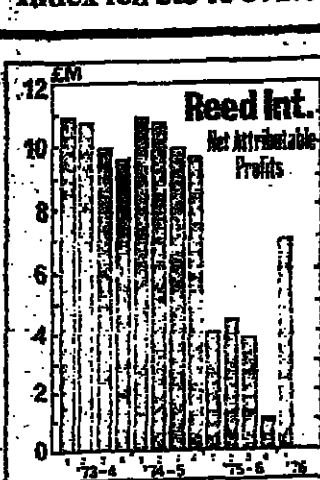
Moreover, Swan Hunter confirms that it has received full payment for the 26,000-ton Tyne Pride, which apart from a small product tanker just starting construction, is the one Swan Maritime order which has yet to find a home. Any disposal will presumably be at a loss, but the Swan Maritime investment has now been written down to cost (£2.2m.).

Meanwhile, a marginal increase in interest receipts shows that the underlying trend in progress payments remains healthy. The balance here will deteriorate as the workload runs down—and profits, excluding investment grants, are already down from £10.8m. to £823,000 pre-tax. But that may be more a problem for the taxpayer than the shareholder. For the moment, the shares at 50p stand over two-fifths below the mooted compensation price and—just for the record—the yield on the increased dividend is 18.2 per cent.

Reed Intl.

Reed International's overseas operations are going to underpin most of 1976-77's profits. Results from these and NatWest's recovery, but after three months the U.K. is also showing up very strongly. Volume growth of perhaps 3 per cent in cases and cartons plus price rises are boosting the home

Index fell 3.8 to 371.6



exposure of the two banks is still cramping style.

Unlike the other big Barclays' profits at the end of the year have fallen since the second half of 1975, although they are 14.7 per up on the first half. Almost of this, however, can be accounted for by international profit growth, and the downside appears to have been behind its rivals. The bank is not as dependent on whole money or as proportion involved with the corporate sector as some of the other market funds and an increase in corporate liquidity unlikely to have had quite same positive effect as it with Midland, for example.

Merchants' contribution may have been than expected while the activities are still losing money.

Stripping out last year's special £10m. provision an exceptional item (£12.4m. deducting the benefits of current adjustments, pre-tax profit only 20.7 per cent. ahead virtually unchanged from second half of last year.

Since the turn of the year, Barclays' deposits have been rising steadily, but it has supplied by raising around £1 million in view for the full retention levels are rising and so whole Reed looks set to produce £70m. pre-tax with most outsiders now lifting their 1977-78 sights to somewhere around £100m. The shares yield 8.6 per cent. at 239p and this is going to be covered around twice by earnings on average capital. But although net cash flow is going to get close to £50m. this year capital spending alone will easily top £60m., against £54m. last time.

Inchcape

Inchcape has recovered strongly in the second half 1975-76 and the improvement spilling over into the current year. Profits are £1.8m. h at £29.8m. pre-tax, rise 237m. with the Anglo acquisition coming in 10 first year. Excluding the acquisition second half profits a £4.3m. This year the U.K. not going to repeat 1975 losses (around £1m.) and in East Asia the motor vehicle based Inchcape Bertha recovering.

Africa, a Nigeria, and the Middle are still forging ahead. Inchcape has made up 43 per cent of last year's pre-tax total. The share price has risen 11p, to 239p, and at 355p the P/E is over 11. This ratio could be a couple of points on either side in 1976-77.

Weather

UK, TODAY
CLOUDY, rain or drizzle in places. S.W. mainly dry. London, S.E. England, E. Anglia, E. Midlands

Cloudy, rain in places. Max 19C (66F).
Cent. S. and S.W. England, S. Wales

Cloudy, mainly dry. Max 21C (70F).
Channel Is.

Bright, cloudy later. Max 21C (70F).
E. and W. Midlands, N. Wales, N.W. Cent., N.E. England, Lake Dist., I. of Man, N. Ireland

Cloudy, hill fog. Rain at times, some heavy. Cool, max. temp. 17C (63F).

Borders, Edinburgh, Dundee, Aberdeen, S.W., N.W., N.E. Scotland, Glasgow, Cent. Highlands, Moray Firth, Argyll, Orkney, Shetland

Bright, showers, some heavy. Cool. Max 14C (57F).
Outlook: Changeable, occasional rain, bright intervals. Rather cool.

BUSINESS CENTRES

City	Day	Temp	Wind	Cloud
Amsterdam	F	18	44	Stancestr.
Antwerp	F	18	44	Stancestr.
Barcelona	F	18	44	Stancestr.
Belfast	F	18	44	Stancestr.
Belgrade	F	18	44	Stancestr.
Berlin	F	18	44	Stancestr.
Birmingham	F	18	44	Stancestr.
Bristol	F	18	44	Stancestr.
Brussels	F	18	44	Stancestr.
Budapest	F	18	44	Stancestr.
Buenos Aires	F	18	44	Stancestr.
Calcutta	F	18	44	Stancestr.
Cardiff	F	18	44	Stancestr.
Cologne	F	18	44	Stancestr.
Concordia	F	18	44	Stancestr.
Dublin	F	18	44	Stancestr.
Edinburgh	F	18	44	Stancestr.
Frankfurt	F	18	44	Stancestr.
Glasgow	F	18	44	Stancestr.
Geneva	F	18	44	Stancestr.
Helsinki	F	18	44	Stancestr.
Hong Kong	F	18	44	Stancestr.
London	F	18	44	Stancestr.
Lisbon	F	18	44	Stancestr.
Madrid	F	18	44	Stancestr.

HOLIDAY RESORTS

Algarve	S	23	91	Las Palmas	S	23	77
Alhaurin	S	24	15	León	S	23	77
Blackpool	G	15	50	Majorca	S	23	84
Bournemouth	S	23	77	Malaga	S	23	84
Canary Islands	S	23	19	Malta	F	23	77
Cape Tan	S	25	77	Napoli	S	24	73
Crete	S	16	61	Naples	S	27	61
Dubrovnik	F	27	81	Nassau	S	26	86
Faro	S	27	81	Nice	S	26	86
Florida	S	27	81	Nicosia	S	26	86
France	S	28	81	Opotelo	G	21	81
Germany	S	25	77	Salzburg	C	17	61
Italy	S	28	84	Tamper	S	24	73
Japan	S	27	68	Tenerife	S	24	73
Kenya	C	16	61	Vienna	S	21	81
Marbella	C	16	61	Venice	S	21	81
Marshall	S	22	50				
C-Cloudy				P-Pair	B-Rain	S-Sunny	